

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
Lectures	38 hrs
Problem Solving	45 hrs
Examinations	7 hrs
TOTAL : 150 hours / 25 = 6 ECTS	
Prepared by : Assist. Prof. Aydin Yuksel	Revision Date : Feb. 17, 2010