

Course Title	Financial Management			
Course Code	MBA 700			
Course Type	COMPULSORY			
Level	MASTER			
Year / Semester	YEAR 1 / SEMESTER 3			
Teacher's Name	Polina Ellina			
ECTS	6	Lectures / week	3	Laboratories / week
Course Purpose and Objectives	<p>This course provides the foundations of corporate finance with emphasis on applications vital for corporate managers. The main objectives of the course are to</p> <ul style="list-style-type: none"> • Understand the major financial decisions of a firm • Provide an overview of the key finance principles • Understand how financial markets operate and how security prices are determined. • Understand the role of risk in financial decisions. • Show how financial management can affect the value of the firm. • Understand the importance and role of finance in valuation techniques and risk analysis <p>Show how financial theory can be used to address practical problems</p>			
Learning Outcomes	<p>Upon completion of the course, students will be able to:</p> <ul style="list-style-type: none"> • Understand the major financial decisions a firm is faced with • Understand the concepts of time value of money and uncertainty and their effects on real investment decisions • Compute Present and Future Values of streams of cash flows • Compute compound interest, real cash flows and real interest rates • Apply these concepts in making personal financial decisions and to price Bonds and Stocks • Compare NPV to alternative criteria to evaluate capital budgeting decisions • Calculate Equivalent Annual Cost • Compute and forecast cash flows associated with real investment decisions • Convert accounting numbers to cash flows • Analyze the relationship between risk and return • Apply statistics concepts to properly understand the risk of investments • Analyze the concepts of diversification, efficient portfolios and portfolio theory • Apply the CAPM 			

	<ul style="list-style-type: none"> • Measure risk using the CAPM beta • Calculate unlevered project betas • Solve capital budgeting problems under uncertainty • Analyze dividend policy and capital structure
Prerequisites	Required
Course Content	<ol style="list-style-type: none"> 1. Introduction to Corporate Finance 2. Time Value of Money: Present Values & Future Values 3. Interest Rates 4. Valuing Bonds 5. Valuing Stocks 6. Net Present Value and Other Investment Criteria 7. Making Investment Decisions with the Net Present Value Rule 8. Risk, Return and the Cost of Capital 9. Portfolio Theory, the Capital Asset Pricing Model and the Arbitrage Pricing Theory 10. Making Investment Decisions in the Presence of Risk 11. Efficient Markets and Financing 12. Payout Policy and Capital Structure
Teaching Methodology	<ul style="list-style-type: none"> • Lectures coupled with case study teaching and discussion • Reading and resolving problems • Working on problem-solving and case studies • Solving unstructured questions and case studies • Brief oral presentation before starting a new chapter and reply to queries from students • Homework for revision purposes • Interaction and collaborative learning • Guest speakers
Bibliography	<p>Required Reading:</p> <ul style="list-style-type: none"> • R. Brealey, S. Myers and Allen F., Principles of Corporate Finance, McGrawHill, 10th Edition or newer edition • Lecture Notes <p>Recommended Reading</p> <ul style="list-style-type: none"> • Jonathan Berk and Peter DeMarzo, Corporate Finance, 3rd ed., Pearson - Prentice Hall, 2014. (SBN-10: 0-13-342415-4; ISBN-13: 978-0-13-342415-7) • S. Besley and Bingham R., C-FIN, South Western, 6th Edition <p>Frequent readings of articles in the Finance and Economic sections of local and international newspapers</p>
Assessment	<p>Comprehensive Final Exam 40%</p> <p>Midterm Examination 30%</p> <p>Problems / Homework 30%</p>

Language	English
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