

DEREE COLLEGE SYLLABUS FOR: FN 3105 FINANCIAL MANAGEMENT

(Previously FN 3005 Foundations of Corporate Finance)

(Updated Fall 2021)

UK LEVEL: 5
UK CREDITS: 15
US CREDITS: 3/0/3

PREREQUISITES:

AF 2007 Financial Accounting

CATALOG DESCRIPTION:

The role of financial management within companies; the nature of financial decisions companies make; implementation of investment appraisal techniques; the importance of capital structure and its implications for the company.

RATIONALE:

Foundations of corporate finance is an integral part of business administration. The course provides students with knowledge, competences and skills to make investment decisions, to estimate the cost of capital, to understand the importance of capital structure and payout policy.

LEARNING OUTCOMES:

- As a result of taking this course, the student should be able to:
1. Explain the financial objectives of a company and the nature of financial decisions companies make.
 2. Demonstrate knowledge and understanding of financial ratios and their interpretation.
 3. Demonstrate knowledge and understanding of time value of money and its implications.
 4. Apply various investment appraisal techniques used by financial managers and discuss their importance for the company.
 5. Discuss the importance of cost of capital and its implications for company financing decisions.

METHOD OF TEACHING AND LEARNING:

- In congruence with the teaching and learning strategy of the college, the following set of tools are used:
- Class lectures, interactive learning (class discussions) and practical problems solved in class.
 - Exercises and primary source documents are assigned as homework, the solutions of which are reviewed in class.
 - Office hours: students are encouraged to make full use of the office hours of their instructor.
 - Use of Blackboard.
 - Use of the Simulated Trading Room for illustrating examples

ASSESSMENT:

Summative:

1 st assessment: In-class written examination (One-hour, closed book, essays/problems)	40%
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	<table border="1" data-bbox="683 138 1425 237"> <tr> <td>2nd assessment: In-class written examination (Two-hour, closed book, essays/problems, comprehensive)</td> <td style="text-align: center;">60%</td> </tr> </table> <p>Formative:</p> <table border="1" data-bbox="683 300 1425 331"> <tr> <td>Exercises / Comprehensive problems</td> <td style="text-align: center;">0%</td> </tr> </table> <p>The formative assignments prepare students for the examinations and ensure that students are actively engaged during the term.</p> <p>The 1st assessment tests Learning Outcomes 1, 2 and 3. The 2nd assessment tests Learning Outcomes 3, 4 and 5.</p> <p>Students are required to resit failed assessments in this module.</p>	2 nd assessment: In-class written examination (Two-hour, closed book, essays/problems, comprehensive)	60%	Exercises / Comprehensive problems	0%
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INDICATIVE READING:	<p>REQUIRED READING: Ross, S., Westerfield, R., Jordan, B., Fundamentals of Corporate Finance, McGraw Hill, latest edition.</p> <p>Other library sources, including journal articles accessible through the Library, as assigned by the instructor.</p> <p>RECOMMENDED READING: Brealey, R., A., Myers, S. C. and Allen, F. (2011). Principles of Corporate Finance. London, McGraw-Hill, latest edition.</p> <p>Parrino, R., Kidwell, D.S. and Bates, T. (2012), Fundamentals of Corporate Finance, Willey, latest edition.</p>				
INDICATIVE MATERIAL: <i>(e.g. audiovisual, digital material, etc.)</i>	<p>REQUIRED MATERIAL: N/A</p> <p>RECOMMENDED MATERIAL: N/A</p>				
COMMUNICATION REQUIREMENTS:	Use of appropriate academic conventions as applicable in oral and written communications.				
SOFTWARE REQUIREMENTS:	Excel, Word, Refinitiv, Bloomberg				
WWW RESOURCES:	www.bloomberg.com www.wsj.com www.ft.com				
INDICATIVE CONTENT:	<ol style="list-style-type: none"> 1. Introduction to corporate finance 2. Financial statements and financial ratios 3. Time value of money 4. Bond & equity valuation 5. Making capital investment decisions 6. The cost of capital 7. Financial leverage and capital structure policy 8. Pay out policy 				