

DEREE COLLEGE SYLLABUS FOR: MG 4316 MARITIME FINANCIAL MANAGEMENT	
(Updated Fall 2021)	UK LEVEL: 6 UK CREDITS: 15 US Credits: 3/0/3
PREREQUISITES:	AF 2007 Financial Accounting EC 1000 Principles of Microeconomics FN 2127 Introduction to Finance or FN 3105 Financial Management
CATALOG DESCRIPTION:	Overview of the maritime shipping industry. Sources of capital in the maritime shipping industry. Capital budgeting and valuation of maritime shipping assets. Traditional, contemporary and alternative debt financing for ship-owning companies. Equity and debt capital markets available to maritime shipping companies. Maritime shipping equities valuation. Sources of risk in maritime shipping companies and risk mitigation strategies.
RATIONALE:	The financial management decisions and the corporate finance tools are essential for capital-intensive industries, such as the maritime shipping industry. This course provides the necessary theoretical knowledge and technical skills for anyone who plans to embark to financial activities in the maritime shipping industry. This course exposes students to the methods, tools and practices used for capital budgeting of vessels, financing decisions of maritime shipping companies, valuation of maritime shipping equities, as well as risk management and dividend decisions of maritime shipping companies. Through the integration of previous knowledge in the fields of economics, accounting and finance, students will be able to leverage market data and company-specific information in order to improve their decision-making in terms of value creation for maritime shipping companies.
LEARNING OUTCOMES:	As a result of taking this course, the student will be able to: <ol style="list-style-type: none"> 1. Value a shipping asset or a shipping equity 2. Appraise a maritime shipping investment 3. Discuss financing decisions in the maritime shipping industry 4. Elaborate on capital budgeting decisions in the maritime shipping industry
METHOD OF TEACHING AND LEARNING:	In congruence with the teaching and learning strategy of the college, the following tools are used: <ul style="list-style-type: none"> ➤ Class lectures and seminar-style class discussion of key terms and concepts with appropriate examples. Use of financial models and case studies. ➤ Office hours: students are encouraged to make full use of the office hours of their instructor, where they can ask questions, see their exam paper, and/or go over lecture material. ➤ Use of the Blackboard: in order to enhance the teaching and learning process, instructors may use the platform to post their announcements, upload related course material, lecture notes,

	assignment instructions and additional resources.						
ASSESSMENT:	<p>Summative:</p> <table border="1" data-bbox="667 247 1409 384"> <tr> <td data-bbox="667 247 1230 310">First Assessment: Written project (Individual; 1,800-2,200 words)</td> <td data-bbox="1230 247 1409 310">40%</td> </tr> <tr> <td data-bbox="667 310 1230 384">Final Assessment: Development of spreadsheet financial model (Individual)</td> <td data-bbox="1230 310 1409 384">60%</td> </tr> </table> <p>Formative:</p> <table border="1" data-bbox="667 447 1409 510"> <tr> <td data-bbox="667 447 1230 510">Coursework (Case study analyses and development of financial models)</td> <td data-bbox="1230 447 1409 510">0%</td> </tr> </table> <p>The formative coursework aims to prepare students for both summative assessments.</p> <p>The first summative assessment: development of spreadsheet financial model tests Learning Outcomes 3 and 4.</p> <p>The final summative assessment: written project tests Learning Outcomes 1 and 2.</p> <p>Students are required to resit failed assessments in this module.</p>	First Assessment: Written project (Individual; 1,800-2,200 words)	40%	Final Assessment: Development of spreadsheet financial model (Individual)	60%	Coursework (Case study analyses and development of financial models)	0%
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Final Assessment: Development of spreadsheet financial model (Individual)	60%						
Coursework (Case study analyses and development of financial models)	0%						
INDICATIVE READING:	<p>REQUIRED READING:</p> <p>Kavussanos, M.G., Visvikis, I.D., (Eds.). 2016. The International Handbook of Shipping Finance: Theory and Practice. Palgrave Macmillan.</p> <p>or</p> <p>Schinas, O., Grau, C., Johns, M., (Eds.). 2015. HSBA Handbook on Ship Finance. Springer</p> <p>RECOMMENDED READING:</p> <p>Textbooks:</p> <p>Alizadeh, A.H., Nomikos, N.K., 2009. Shipping derivatives and risk management. Palgrave MacMillan, London.</p> <p>Brigham, E.F., Ehrhardt, M.C., 2017. Financial Management: Theory and Practice (15th Edition). Cengage Learning.</p> <p>Damodaran, A., 2001. Corporate Finance: Theory and Practice (2nd Edition). John Wiley & Sons.</p> <p>Peterson, P.P., Fabozzi, F.J., 2002. Capital Budgeting: Theory and Practice, vol. 10, John Wiley & Sons.</p> <p>Stephenson Harwood LLP., 2018. Shipping Finance: A Practical Handbook (4th Edition). Globe Law and Business.</p> <p>Stopford, M., 2009. Maritime Economics (3rd Edition). Taylor & Francis Group.</p> <p>Titman, S., Martin, J.D., 2015. Valuation: The Art and Science of Corporate Investment Decisions (3rd Edition). The Pearson Education.</p> <p>Articles:</p>						

Ahrends, M., Drobetz, W., Nomikos, N.K., 2018. Corporate cash holdings in the shipping industry. *Transportation Research Part E: Logistics and Transportation Review*, 112, 107-124.

Albertijn, S., Bessler, W., Drobetz, W., 2011. Financing shipping companies and shipping operations: a risk management perspective. *Journal of Applied Corporate Finance*, 23 (4), 70–82.

Alexandridis, G., Sahoo, S., Song, D.-W., Visvikis, I. D., 2018. Shipping risk management practice revisited: A new portfolio approach. *Transportation Research Part A: Policy and Practice*, 110, 274-290.

Anagnostara, C., Sigalas, C., 2015. Business acquisitions as a tool for proactive financial management: The case of Seanergy Maritime Holdings. In: Schinas O., Grau C. and Johns M. (Eds.), *HSBA Textbook on Ship Finance*, 109-120.

Andrikopoulos A., Merika A., Merikas A., Sigalas C., 2021. Related party transactions and principal-principal conflicts in public companies: Evidence from the maritime shipping industry. *Transportation Research Part E: Logistics and Transportation Review*, 145, In Press.

Chou, H.-C., Chen, D.-H., 2018. The use of technical analysis in sale-and-purchase transactions of secondhand ships. *Maritime Economics & Logistics*, 1-18.

Drobetz, W., Ehlert, S., Schröder, H., 2021. Institutional ownership and firm performance in the global shipping industry. *Transportation Research Part E: Logistics and Transportation Review*, 146, In Press.

Drobetz, W., Gounopoulos, D., Merikas, A., Schroder, H., 2013. Capital structure decisions of globally-listed shipping companies. *Transportation Research Part E: Logistics and Transportation Review*, 52, 49–76.

Drobetz, W., Janzen, M., Requejo, I., 2019. Capital allocation and ownership concentration in the shipping industry. *Transportation Research Part E: Logistics and Transportation Review*, 122, 78-99.

Drobetz, W., Merikas, A.G., 2013. Maritime Financial Management. *Transportation Research Part E: Logistics and Transportation Review*, 52, 1-2.

Gavalas, D., Syriopoulos, T., 2014. An integrated credit rating and loan quality model: application to bank shipping finance. *Maritime Policy & Management*, 42 (6), 533–554.

Gavalas, D., Syriopoulos, T., 2016. Selecting the optimum collateral in shipping finance. In: Kramberger, T., Potočan, V., Ipavec, V.M. (Eds.), *Sustainable Logistics and Strategic Transportation Planning*. IGI Global, 295–327.

Gong, Y., Li, K.X., Chen, S-L., Shi, W., 2020. Contagion risk between the shipping freight and stock markets: Evidence from the

recent US-China trade war. *Transportation Research Part E: Logistics and Transportation Review*, 136, In Press.

Greenwood, R., Hanson, S.G., 2015. Waves in ship prices and investment. *The Quarterly Journal of Economics*, 130 (1), 55–109.

Kavussanos, M.G., Tsouknidis, D.A., 2016. Default risk drivers in shipping bank loans. *Transportation Research Part E: Logistics and Transportation Review*, 94, 71–94.

Kyriakou, I., Poulialis, P.K., Papapostolou, N.C., Nomikos, N.K., 2017. Income uncertainty and the decision to invest in bulk shipping. *European Financial Management*, 24(3), 387-417.

Lozinskaia, A., Merikas, A., Merika, A., Penikas, H., 2017. Determinants of the probability of default: the case of the internationally listed shipping corporations. *Maritime Policy & Management*, 44 (7), 837–858.

Merika, A.A., Theodoropoulou, S., Triantafyllou, A., Laios, A., 2015. The relationship between business cycles and capital structure choice: the case of the international shipping industry. *The Journal of Economic Asymmetries*, 12, 92–99.

Merikas, A., Gounopoulos, D., Karli, C., 2010. Market performance of US-listed shipping IPOs. *Maritime Economics & Logistics*, 12 (1), 36–64.

Merikas, A.G., Sigalas, C., 2010. Redefining Utilization Rate. *Marine Money*, 26(8), 12-14.

Merikas, A.G., Sigalas, C., Drobetz, W., 2011. The Shipping Corporate Risk Trade-Off Hypothesis. *Marine Money*, 27(6), 40-43.

Merikas, A.G., Sigalas, C., Karatzas, B.M., Drobetz, W., 2012. Valuation Models: A Practical Appraisal. *Marine Money*, 28(3), 40-43.

Mitroussi, K., Abouarghoub, W., Haider, J.J., Pettit, S.J., Tigka, N., 2016. Performance drivers of shipping loans: an empirical investigation. *International Journal of Production Economics*, 171, 438–452.

Rau, P., Spinler, S., 2016. Investment into container shipping capacity: a real options approach in oligopolistic competition. *Transportation Research Part E: Logistics and Transportation Review*, 93, 130–147.

Sun, X., Liu, H., Zheng, H., Chen, S., 2018. Combination hedging strategies for crude oil and dry bulk freight rates on the impacts of dynamic cross-market interaction. *Maritime Policy & Management*, 45 (2), 174–196.

Tsionas, M.G., Merikas, A.G., Merika, A.A., 2012. Concentrated ownership and corporate performance revisited: The case of shipping. *Transportation Research Part E: Logistics and Transportation Review*, 48, 843-852.

	Zheng, S., Negenborn, R.R., 2017. Terminal investment timing decisions in a competitive setting with uncertainty using a real option approach. <i>Maritime Policy & Management</i> , 44 (3), 392–411.
INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.)	<p>REQUIRED MATERIAL: Clarkson Shipping Intelligence Network US Securities and Exchange Commission: Companies Filings</p> <p>RECOMMENDED MATERIAL: Bloomberg Database Thomson Reuters Eikon Database VesselsValue Database Marine Money Deal Database TradeWinds Articles Archive</p>
COMMUNICATION REQUIREMENTS:	Use of appropriate academic conventions as applicable in oral and written communications.
SOFTWARE REQUIREMENTS:	Microsoft Office: Word, Excel, PowerPoint
WWW RESOURCES:	N/A
INDICATIVE CONTENT:	<ol style="list-style-type: none"> 1. Overview of the maritime shipping industry 2. Introduction to maritime shipping companies 3. Sources of capital 4. Asset valuation 5. Capital budgeting 6. Equity valuation 7. Shipping finance 8. Capital markets 9. Risk management 10. General maritime financial management topics