

**BA in Management Program**  
**Fall 2021**  
**FIN301 – Section A**  
**Financial Management**

**Instructor:** Şerif Aziz Şimşir  
**Office:** SBS 1172  
**Phone:** (216) 483-9658  
**Fax:** (216) 483-9699  
**E-mail:** [simsir@sabanciuniv.edu](mailto:simsir@sabanciuniv.edu)  
**Web:** SuCourse+  
**Zoom PMI:** 534 960 9264

	Time	Day	Delivery
Class	2:40 - 4:30pm	T	Online
	2:40 - 3:30pm	W	
Recitation A1 & A2	6:40-7:30pm	W	Online

**Course Objectives:**

This course develops an understanding of the theoretical and practical issues relating to financial management. The main objectives of the course are to introduce the students to the financial markets and financial instruments, to expose the students to the quantitative tools and methods of modern finance, and to help students gain competence in using these tools to make sound financial decisions. Topics covered in the course include: the link between accounting and finance, the time value of money, bond and stock valuation, investment decision criteria and capital budgeting, project analysis, risk-return relationship and cost of capital.

**Learning Outcomes:**

1. Understand different types of financial markets and institutions.
2. Describe the linkages between accounting and finance.
3. Understand the concept of time value of money.
4. Value different types of securities such as stocks and bonds.
5. Evaluate projects using various decision criteria.
6. Explain the concepts of risk, return and cost of capital.

**Course Textbook:**

Fundamentals of Corporate Finance, by Brealey, Myers and Marcus, McGraw-Hill, 10<sup>th</sup> Edition (2021).

Weekly assignments will be handled through McGraw-Hill's Connect website. Students are required to access Connect using the codes that come with the textbook (or purchased separately). The bookstore at Sabanci has the Connect codes for sale at the following link:

<https://www.homerbooks.com/urun/connect-code-of-fundamentals-of-corporate-finance>

Please note that other online vendors may sell invalid, used or expired codes which may not work for this course.

The registration process to the Connect website, as well as other critical information related to completing course assignments and quizzes are located at this [link](#). Please note that you must register to the section you are officially enrolled in and use your Sabanci email during registration. The course registration page at Connect is:

<https://connect.mheducation.com/class/s-simsir-fall-2021-section-a>

If you still have questions that are not addressed in this video, you may email Hakan Haktanir at McGraw-Hill for support ([hakan.haktanir@mheducation.com](mailto:hakan.haktanir@mheducation.com)).

Students must also download the Top Hat app on their phones or tablets (search for "Top Hat" on the Appstore or Google Play) and sign up to the class roster using their Sabanci email addresses. The steps for signing up for the Top Hat app are provided in a separate file.

**Optional Reading Material:**

The Wall Street Journal (available @IC through ProQuest), The New York Times Business Section, Financial Times, BusinessWeek, Dealbook @NYT.

**Course Web:**

SuCourse+ will be actively used throughout the semester. Students should check their accounts frequently to ensure that they have the most recent course materials. Course slides, video recordings and announcements will be posted on SuCourse+. We will use McGraw-Hill's Connect portal for solving weekly assignments and Top Hat for handling in-class exercises.

**Grading:**

In-class exercises (online)	: 10%
Weekly assignments (online)	: 15%
Midterm exam (in class)	: 25%
Final exam (in class)	: 40%
Term Project	: 10%

**Course TA & Recitations:**

Our TA for this course, Khaoula Agrebi ([khaoula.agrebi@sabanciuniv.edu](mailto:khaoula.agrebi@sabanciuniv.edu)) will hold online recitations throughout the semester. The video recordings of recitations will be shared on SuCourse+. Khaoula's office hours are Tuesdays 6:00pm to 8:00pm.

**Office Hours:**

My online office hours are on:

Wednesdays, 9:00-11:00am.

If you wish to meet at other times, please send me an email.

**Requirements:***Attendance:*

The class will be held online over the semester. Zoom instructions are provided in a separate document. Students can connect to Zoom meetings only with their university e-mail addresses.

*In-class exercises:*

In-class exercises consist of brief questions related to the course material. Please make sure that you can use the Top Hat app on your phone/tablet without technical problems. The lowest 20% of the in-class exercise grades will be dropped at the end of the semester. If 20% corresponds to a fraction, the resulting number will be rounded to the closest integer. There are no make-up assignments for in-class exercises.

*Weekly assignments:*

There is a total of 12 weekly assignments during the semester. The due dates of the weekly assignments are available in the course outline. The lowest two weekly assignment grades are dropped at the semester-end. There are no make-ups for the weekly assignments.

*Term Project:*

Demo trading accounts from AkYatırım will be made available to all students free of charge. Students can explore the platform to have more information about the assets available in the financial markets, their return and risk features, historical patterns, and recent trading technologies. They can create and manage hypothetical portfolios, trade assets in domestic or foreign markets, explore trading opportunities or just read research reports. Students will write a one-page report on their journey into the financial markets and submit it on SuCourse by December 26<sup>th</sup>, 11:59pm. Ak Yatırım will organize two online meetings to facilitate trading on their platforms.

*Midterm & Final:*

The midterm exam covers the topics completed until the midterm date and the final exam covers the entire course material. Both exams are in-class and closed book. Exams are not offered online unless there is a valid excuse (e.g., not being able to travel to Istanbul). There will be make-up exams at the end of the semester for those students who missed one of the exams for other reasons (such as health problems, family emergencies). In case of health problems, students must receive an approval from the university health center. No shows without valid excuses receive a grade of zero. Detailed instructions for the exams will be provided two weeks before the exams.

The final exam includes questions about the movie “The Big Short”, which documents the events leading to the 2008 financial crisis. This movie will also be discussed in class. The

movie (in DVD format) is on reserve for a one-day loan at the IC. The movie is also available through the Netflix platform. The IMDB page for the movie is: <https://www.imdb.com/title/tt1596363/>

The assessment methods listed above are subject to verification by the instructor through oral exams. Oral exam results can supersede the respective written assessment results.

### **Academic Honesty:**

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is *plagiarism*. Copying from others or providing answers or information, written or oral, to others is *cheating*. Unauthorized help from another person or having someone else write one's paper or assignment is *collusion*. Cheating, plagiarism and collusion are serious offenses that could result in an F grade and disciplinary action. Please pay utmost attention to avoid such accusations.

### **Remote teaching policies and conduct**

Sabancı BA in Management Program values participatory learning. Establishing the necessary social order for a participatory learning environment requires that online students should:

- Keep their cameras open.
- Mute themselves while listening to the person who has the floor.
- Use the “Raise hand” function before talking.
- Not use the “Chat” feature for correspondence not related to the course.

### *Lectures & Attendance*

Students are expected to attend lectures and participate in discussions. Lectures start right on time. Recorded lectures will be available on SuCourse+ after the live sessions end. The videos will be available until the end of the semester. Missed lectures are at students' own responsibility.

### *Grading*

Students should write up their objections and submit them to me no later than a week after receiving their graded work. This document should clearly explain the basis of objection. Except for minor grading errors, no verbal objection is accepted.

*Special needs students*

Any student who, because of a disability, requires some special arrangements in order to meet course requirements should contact me as soon as possible to make the necessary accommodations.

*Updates*

Changes or additions to any of the policies above, or course outline, if any, will be announced on the course website.

## Course Schedule

<b>Week 1</b>	<b>Date:</b> 28-29 September 2021 Topic: Introduction & Setup for the semester Connect & Tophat Instructions
<b>Week 2</b>	<b>Date:</b> 5-6 October 2021 Topic: Goals and governance of the corporation Readings: Chapter 1 In-class discussion: Ethics in Finance ( <a href="#">Link</a> ) Assignments: Weekly Assignment 1 due by October 13, 11:59pm.
<b>Week 3</b>	<b>Date:</b> 12-13 October 2021 Topic: Financial markets and institutions Accounting and finance Readings: Chapters 2 & 3 In-class discussion: Term Project Assignments: Weekly Assignment 2 due by October 20, 11:59pm.
<b>Week 4</b>	<b>Date:</b> 19-20 October 2021 Topic: Measuring corporate performance Readings: Chapter 4 In-class discussion: Gender diversity in finance ( <a href="#">Link</a> ) Assignments: Weekly Assignment 3 due by October 27, 11:59pm.
<b>Week 5</b>	<b>Date:</b> 26-27 October 2021 Topic: The time value of money – Part 1 Readings: Chapter 5 In-class discussion: High frequency trading ( <a href="#">Link</a> ) Assignments: Weekly Assignment 4 due by November 3, 11:59pm.
<b>Week 6</b>	<b>Date:</b> 2-3 November 2021 Topic: The time value of money – Part 2 Readings: Chapter 5 In-class discussion: Cryptocurrencies ( <a href="#">Link</a> ) Assignments: Weekly Assignment 5 due by November 10, 11:59pm.
<b>Week 7</b>	<b>Date:</b> 9-10 November 2021 Topic: Valuing bonds Readings: Chapter 6 In-class discussion: Behavioral Finance ( <a href="#">Link</a> ) Assignments: Weekly Assignment 6 due by November 17, 11:59pm.
<b>Week 8</b>	<b>Date:</b> 16-17 November 2021 Topic: Valuing stocks Readings: Chapter 7 In-class discussion: Valuation of Zomato by Damodaran ( <a href="#">Link</a> ) Assignments: Weekly Assignment 7 due by November 22, 11:59pm.
<b>Week 9</b>	<b>23 November 2021</b> <b>Midterm (in-class @ FMAN Auditorium, G60, G62, G65)</b> 8:00pm-9:15pm Coverage: Chapters 1 to 7

<b>Week 10</b>	<b>Date:</b> 30 November - 1 December 2021
	Topic: Net present value and other investment criteria
	Readings: Chapter 8
	In-class discussion: Midterm Results
	Assignments: Weekly Assignment 8 due by December 8, 11:59pm.
<b>Week 11</b>	<b>Date:</b> 7-8 December 2021
	Topic: Topics in capital budgeting
	Readings: Chapters 9 & 10
	In-class discussion: Finance databases (WRDS, DataStream, Matriks, Rasyonet)
	Assignments: Weekly Assignment 9 due by December 15, 11:59pm.
<b>Week 12</b>	<b>Date:</b> 14-15 December 2021
	Topic: Introduction to risk, return and the opportunity cost of capital
	Readings: Chapter 11
	In-class discussion: Principles of long-term investing ( <a href="#">Link</a> )
	Assignments: Weekly Assignment 10 due by December 22, 11:59pm.
<b>Week 13</b>	<b>Date:</b> 21-22 December 2021
	Topic: Risk, return and capital budgeting
	Readings: Chapter 12
	In-class discussion: The movie “The Big Short”
	Assignments: Weekly Assignment 11 due by December 29, 11:59pm.
<b>Week 14</b>	<b>Date:</b> 28-29 December 2021
	Topic: The weighted-average cost of capital
	Readings: Chapter 13
	In-class discussion: Term Project Results
	Assignments: Weekly Assignment 12 due by January 3, 11:59pm.
<b>Closing Lecture</b>	Guest Lecture by Özgür Hatipoğlu – Ak Yatırım Head Trade Strategist. Date TBA.
<b>Final Exam</b>	<b>Date TBA</b> Coverage: Entire course material