

Summer 2022

FIN 301 – Financial Management

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Web page : [SuCourse](#)
Office hours : By appointment.

Type	Time	Days	Location
Class	11:40 am - 2:30 pm	Monday	Business School FMAN G060
Class	8:40 am - 11:30 am	Tuesday	Business School FMAN G060
Recitation	2:40 pm - 4:30 pm	Tuesday	Business School FMAN L018

Course Material:

Textbook (Required):

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Berk, DeMarzo and Hardford, Corporate Finance, 5/E, Pearson, Student Value Edition Plus NEW MyFinanceLab, ISBN (Fifth Edition).

Textbook is available at Book store, Amazon, etc.

MyFinanceLab(MFL) will be heavily used in homework assignments, quizzes and will be a very useful tool in self-studying for your exams.

Additional materials will be provided on the course page on <https://sucourse.sabanciuniv.edu/port>

Financial calculator:

TI BA-II Plus in class and for exams.

TI BA-II Plus is available at the Book Store or on-line, etc.

Harvard Business Review, Wall Street Journal, Financial Times, the Economist and the other Turkish Financial and Corporate Finance Articles:

We will have some class discussion as a reference to current events in corporate finance consistent with the course material using real companies' examples. We will discuss some financial articles and news from the WSJ, Financial Times, the Economist, and other related Turkish sources.

Supplemental Materials:

I will use SuCourse [<https://sucourse.sabanciuniv.edu/port>] to distribute materials. A copy of this syllabus, all course notes, and most handouts will be available on the web site. I may also communicate with you directly concerning course logistics using the SuCourse e-mail lists. Please check to be sure that you are listed as a registrant, and please be sure to check your university email regularly.

Sabanci University uses a powerful web-based tool called **Turnitin**. Turnitin is the worldwide standard in online plagiarism prevention. It allows instructors to compare student writing projects against a database composed of millions of articles. Each assignment you submit will be scanned by Turnitin, and results will be reflected in your grades.

Course Objective:

This course goal is to provide students with a comprehensive understanding of the principles and tools of corporate finance. Students will be exposed to applying the key financial techniques to make sound business decisions. The course will also help to equip students with the conceptual and analytical skills necessary to make business decisions applicable to all firms and corporations; both large or small, privately run or publicly traded, and involved in any industry-whether manufacturing, retail or services.

Course Description and Contents:

This course is the first applied course in finance designed to teach how to make sound financial business decisions. After reviewing financial statements and cash flow analysis, we will focus on time value of money to understand the main concept of valuation and investment. In this part, we will also learn discounted cash flow as well as bonds and stock valuation. We will emphasize net present value and internal rate of return as investment criteria, project cash flow analysis and capital investment decisions. We will learn options and futures. We will discuss capital market history along with risk and return concepts. We will mention the capital asset pricing models and market efficiency.

Learning Outcomes:

We will spend part of our class time on lectures and discussion, and most on examples, exercises and sample exam questions.

At the end of the semester, students will gain many learning outcomes from the course.

Upon completion of the course students should be able:

- To apply time value of money calculations to various investments, savings and financing decisions.
- To understand bonds and bond valuation
- To determine the value of equity securities
- To evaluate capital budgeting decisions using NPV, IRR and other investment criteria
- To know the impact of capital structure decisions on financial performance and determine various parameters of a company's cost of capital
- To explore how dividends are determined in practice and the influence of dividend decisions on shareholder's wealth.
- To explore options and futures

COURSE ACTIVITIES/TEACHING STRATEGIES

Class sessions will consist of lectures, discussions and in-class exercises. I will be following course topics given in the course calendar. I will also spend time on how to solve related problems or potential sample exam questions and give spreadsheet examples to show the applications. Lecture slides will be available for students before the class. It is recommended to print them before coming to class. Students are expected to read the assigned chapters of the book to prepare for the classes.

We will solve some exercises in class. During class, students will be expected to solve some exercises individually or in small groups, with the help of the instructor. Problems, questions and solutions are discussed together.

Students are encouraged to participate actively in class discussions and presentations, challenge the points, arguments and presentations of others and be prepared to justify, defend and improve their own ideas, as well as learn from the arguments of others. Solving the problems in the back of each chapter is essential.

I have given a list of suggested problems for each chapter in the course outline.

Students' performance will be measured by exams and class discussions.

Questions are always welcome! Please don't hesitate to ask questions. Lecture notes and slides will be uploaded on the SuCourse website. My TAs and I will also use SuCourse to post new information or to send out emails to the class.

Class participation:

Class participation is encouraged and will enhance your individual as well as your classmates' learning experience. We will have some class discussion on current corporate finance and financial markets issues related to the course.

Attendance:

Regular class attendance is important since attendance is a critical factor in the learning process. Exams will reflect material covered in class including homework and class discussion. If you miss a class you are responsible for obtaining notes from the course website or from your fellow classmates.

My Office Hours:

You are always welcome to schedule an office appointment or send me an email to communicate. Office hours are for problems specific to the individual student. Questions or comments helpful to others in the class should be raised in class discussion.

Student responsibilities:

Students must prepare for each class. My teaching is most effective when students actively participate in class. This means that students must think along with me during class sessions. There must be substantial student teacher interaction; typically through student questions, comments, and answers to my questions.

Students should have a strong positive impact on the class session. Your preparation consists of reading the assigned material and working through problem sets indicated on the course outline or as announced in class. It is important that you be familiar with the topic at hand as we begin class discussion of the material in order for lecture time to be most beneficial to you. You will find this effort rewarding at exam time.

Students are expected to behave professionally. Please avoid disruptive behaviors, including leaving class early or arriving late. Please turn off cell phones during class time. Habitual unprofessional behavior will be taken into consideration in the form of a deduction of points on the final grade.

Feedback:

I would be glad to hear suggestions and recommendations related to the course. Please give me feedback related to the choice of material covered, selection of topics and difficulty, the presentation of course material. You can also send me an email. I would be happy to hear any suggestions for improvement.

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.

COURSE REQUIREMENTS

Exams and Exams Format:

Two exams will be administered in class listed on the course outline. All exams will be based on 100 points.

The exams will cover the material taught up to the date of the exam.

Format of exams may include multiple choice questions, fill-ins, matching, short essays, and computational problems. Any combination of the above formats may be used, depending upon the material covered. The tests may cover class lecture materials and presentations, homework problems, the reading assignments and class discussion. Exams will be closed book and you should bring your calculator.

TI BA-II Plus calculator may be used and will be useful.

No communication devices of any kind including cell phones may be displayed during exams.

The examination will be given under the terms of the Honor Code.

Make-up Exams:

Make-ups will **NOT** be administered for any prelims. You must take each of the exams as scheduled.

Please note that the prelim 2 exam for this course will be on **Monday, August 29, 2022 in class.**

Homework Assignments (My Finance Lab):

Homework problems set are essential to learning finance. You should solve the MyFinanceLab problems on your own. Use these assignments to test your understanding of the material. We may do some of these together in class. Some of the exam questions might be based on homework problems.

METHOD OF COURSE EVALUATION:

Grade Determination:

Your final grade will be determined as follows:

Attendance, Article-Class Discussion	20%
MyFinanceLab- Homeworks & Quizzes	25%
Exam 1	25%
<u>Exam 2</u>	<u>30%</u>
Total	100%

COURSE CALENDAR, TOPIC COVERAGE, ASSIGNMENTS, EXAMS DATES

We will attempt to follow this schedule closely, but some adjustments may occur according to class progress through the material.

Tentative Course Calendar, summer 2022

	Topic Coverage and Reading	MyLabFinance-HWs	Exam
1			
	Course Overview/ Introduction to Corporate Finance, Corporate Finance and Financial Management		
	Financial Statements Analysis		
2	The Time Value of Money: Valuing Cash Flow		
		Hw1	
3	The Time Value of Money: Valuing Cash Flow		
		Hw2	
4	Bond Valuation		
		Hw3	Exam1 in class (Tuesday, August 9, in class)
5	Stock Valuation		
		Hw4	
6	Capital Budgeting NPV, IRR & Others as Investment Criteria		
		Hw5	
7	Derivatives: Options and Futures		Exam 2 in class (Monday, August 29, in class)