

BA in Management Program
Spring 2023
FIN301
Financial Management

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Office Hours: Wednesdays 15:00-16:00 and by appointment.

	Time	Day	Where
Section A Lectures	11:40 – 12:30	R	FASS G022 & Online
	08:40 – 10:30	F	FMAN L018 & Online
Recitation A	17:40 – 18:30	F	Online
Section B Lectures	9:40 – 10:30	R	FASS G052 & Online
	10:40 – 12:30	F	FMAN G060 & Online
Recitation B	18:40 – 19:30	W	Online

Students must always attend their own section's lectures

Course Objectives:

This course develops an understanding of the theoretical and practical issues related to financial management. The main objectives of the course are to introduce the students to the financial markets and 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, 11th Edition (2023).

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

<https://www.homerbooks.com/urun/fundamentals-of-corporate-finance-connect-code-11e>

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

A brief introduction to Connect and instructions for registration are available here: <https://rb.gy/usmp7t>. Note that you must register using use your Sabanci email address and to the section you are officially enrolled in.

The course registration pages are as follows:

Section A: <https://connect.mheducation.com/class/b-onal-spring-2023-a>

Section B: <https://connect.mheducation.com/class/b-onal-spring-2023-b>

If you have further questions or run into trouble on Connect, please contact McGraw-Hill directly at this link: <http://www.mhhe.com/support>.

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 using their Sabanci email addresses. The steps for signing up on Top Hat will be provided in a separate document.

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 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 quizzes.

Grading:

Assignments	: 15%
In-class quizzes	: 25%
Final exam	: 60%

Teaching Assistant (TA):

Our TA for this course, Khaoula A. E. Vural (khaoula.agrebi@sabanciuniv.edu) will hold virtual recitations for both sections throughout the semester.

Course Requirements:

Weekly assignments:

The due times of the assignments stated in the course schedule (attached) are sharp. No make-up assignment will be offered under any circumstances. Instead, the lowest two assignment grades will be dropped from the course grade.

In-class quizzes:

Quizzes consisting of follow-up questions on lecture material will not be pre-announced. Students are required to have access to Top Hat at any time during lectures. No make-up quiz will be offered under any circumstances. Instead, the lowest three quiz grades will be dropped from the course grade.

Final Exam:

The final exam will cover the entire course material. It will also include questions about the movie “The Big Short”,¹ which will be discussed on the last day of classes. The movie, which documents the events leading to the 2008 financial crisis, is available on Netflix and also on reserve for this course for a one-day loan at the Information Center.

The exam will be in-person and closed book. Online exam may only be offered in the case of a valid and well-documented obstacle (e.g., not being able to travel to Istanbul due to an unforeseeable reason).

Further instructions will be provided one week prior to the exam.

A make-up exam will be offered at the end of the semester for those students who missed the final exam for valid reasons such as health problems. Requests for a make-up must be made directly to the instructor as soon as possible and be accompanied by relevant official document(s). In case of health problems, students must receive an approval from the university health center. No shows without official documentation will result in a grade of zero.

Caution: The assessment methods listed above may be subject to verification by the instructor through oral exams. Oral exam results can supersede the respective grades.

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

¹ <https://www.imdb.com/title/tt1596363/>.

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.

Lectures & attendance

Students are expected to attend lectures and participate in discussions. Missed lectures are at students' own responsibility.

Grade objections

Students should write up their objections and submit them to the instructor no later than two days after receiving your grade. This document should clearly explain the basis of the objection. Except for minor grading errors, no verbal objection will be accepted.

Students with special needs

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

Disclaimer and Updates

We may have to revise the course plan according to the countrywide reassessment to be made regarding higher education. This is expected to happen at the beginning of April. The content to be delivered is mostly certain but the method of course delivery, the number and dates of exams, and some other details are subject to change. Changes or additions to any of the course policies or schedule will be announced on the course website.

Course Schedule (Tentative)

Week 1	Dates: March 2 – 3 Topic: Goals and governance of the corporation Reading: Chapter 1
Week 2	Dates: March 9 – 10 Topic: Financial markets and institutions Reading: Chapter 2 Assignment: Assignment 1 due by 9:30 on March 16.
Week 3	Dates: March 16 – 17 Topic: Accounting and finance Reading: Chapter 3 Assignment: Assignment 2 due by 9:30 on March 23.
Week 4	Dates: March 23 – 24 Topic: Measuring corporate performance Reading: Chapter 4 Assignment: Assignment 3 due by 9:30 on April 6.
Week 5	Dates: March 30 – 31 & April 1 (Make-up classes) Topic: The time value of money Reading: Chapter 5
Week 6	Dates: April 6 – 7 Topic: Valuing bonds Reading: Chapter 6 Assignment: Assignment 4 due by 9:30 on April 13.
Week 7	Dates: April 13 – 14 Topic: Valuing stocks Reading: Chapter 7 Assignment: Assignment 5 due by 9:30 on April 27.
Week 9	Dates: April 20 – 21 No classes (Spring Break/Feast of Ramadan)
Week 8	Dates: April 27 – 28 Guest Lecture: Behavioral Finance (April 28 @ 19:00-20:30, Room TBD) Guest Speaker: Mehmet Gerz, CEO & CIO at Ata Portfolio Management
Week 10	Dates: May 4 – 5 Topic: Net present value and other investment criteria Reading: Chapter 8 Assignment: Assignment 6 due by 9:30 on May 4.
Week 11	Dates: May 11 – 12 Topic: Introduction to risk, return, and opportunity cost of capital Reading: Chapter 11 Assignment: Assignment 7 due by 9:30 on May 18.
Week 12	Dates: May 18 Topic: Risk, return and capital budgeting, Weighted-average cost of capital Reading: Chapters 12 & 13

Assignment: Assignment 8 due by 9:30 on May 25.

Week 13

Dates: May 25 – 26

Topic: Identifying cash flows and movie discussion

Reading: Chapter 9

Assignment: Assignment 9 due by 15:00 on May 31 (*exceptional*).
