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| ***ÇAĞ UNIVERSITY***  ***FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES*** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Code** | | | **Course Title** | | | | | | | | | | | | **Credit** | | | | | | | | **ECTS** | | |
| MAN 307 | | | Business Finance | | | | | | | | | | | | 3 (3-0-3) | | | | | | | | **6** | | |
| **Prerequisites** | | | | | | | **None** | | | | | | | | | | | | | | | | | | |
| **Language of Instruction** | | | | | | | English | | | **Mode of Delivery** | | | | | | | Face to face | | | | | | | | |
| **Type and Level of Course** | | | | | | | Compulsory/3.Year/Fall Semester EQF- Level 6 | | | | | | | | | | | | | | | | | | |
| **Lecturers** | | | | **Name(s)** | | | | | | | Lecture Hours | | | | | Office Hours | | | | **Contacts** | | | | | |
| **Course Coordinator** | | | | Asst.Prof.Dr. A. Gökhan SÖKMEN | | | | | | | Tue.10:15-12:35 | | | | | Wed. 14.00-16.00 | | | | | | gokhansokmen@cag.edu.tr | | | |
| **Others** | | | | Res. Ass. Toprak Ferdi KARAKUŞ | | | | | | |  | | | | | Fr. 9.30- 12.30 | | | | | toprakkarakus@cag.edu.tr | | | | |
| **Course Objective** | | | | **Course aims to equip the students with the fundamentals of Corporate Finance and to employ financial techniques in further specific financial topics.** | | | | | | | | | | | | | | | | | | | | | |
| **Learning Outcomes of the Course** |  | | Students who have completed the course successfully should be able to | | | | | | | | | | | | | | | | **Relationship** | | | | | | |
| **Prog. Output** | | | | | | **Net Effect** |
| 1 | | define Finance and the role of Financial Manager and explain how financial markets and institutions channel savings to corporate investment. | | | | | | | | | | | | | | | | 3 | | | | | | 5 |
| 2 | | differ the type of interest rates and calculate FV of money invested, PV of a future payment, annuities and set the Cash Flow. | | | | | | | | | | | | | | | | 2 ,3 ,5 & 9 | | | | | | 5, 4, 4 & 5 |
| 3 | | explain the chracteristics and types of Bonds and calculate the market price of a bond given its yield to maturity and vice versa. | | | | | | | | | | | | | | | | 2,3 & 5 | | | | | | 5, 5 & 5 |
| 4 | | explain the chracteristics and types of Stocks and to use basic Stocks Valuation Methods | | | | | | | | | | | | | | | | 3 & 5 | | | | | | 4 & 5 |
| 5 | | demonstrate the basic rules of Risk, Return and Opportunity Cost of Capital. | | | | | | | | | | | | | | | | 2,3 & 9 | | | | | | 4, 5 & 5 |
| 6 | | use Evaluation Techniqes in Capital Budgeting and apply on projects. | | | | | | | | | | | | | | | | 2,3 & 5 | | | | | | 4, 4 & 5 |
| 7 | | calculate WACC and use it for Company Valuation. | | | | | | | | | | | | | | | | 3, 5 & 9 | | | | | | 5, 5 & 5 |
| **Course Description: The course focuses on how companies invest in real assets and how they raise money to pay for these investments to maximize the value of the firm. In this sense, time value of money, capital budgeting decisions, relationship between risk and return, financing decisions using debt or equity capital and WACC calculations are the main topics that will be covered.** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Course Contents:( Weekly Lecture Plan )** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Weeks** | | **Topics** | | | | | | | | | | | | **Preparation** | | | | **Teaching Methods** | | | | | | | |
| **1** | | The Corp. and the Financial Manager | | | | | | | | | | | | None | | | | Lectures | | | | | | | |
| **2** | | The Role of Fin. Markets and Institutions | | | | | | | | | | | | Textbook Ch. 1&2 | | | | Presentation & Demonstration | | | | | | | |
| **3** | | Time Value of Money(Future Value) | | | | | | | | | | | | Textbook Ch. 5 | | | | Presentation & Discussion | | | | | | | |
| **4** | | Present Values and Cash Flows | | | | | | | | | | | | Textbook Ch. 5 | | | | Presentation & Discussion | | | | | | | |
| **5** | | Problem Solutions | | | | | | | | | | | | Textbook Ch. 5 | | | | Mini Case Study | | | | | | | |
| **6** | | Valuing Bonds | | | | | | | | | | | | Textbook Ch. 6 | | | | Presentation & Discussion | | | | | | | |
| **7** | | Valuing Stocks | | | | | | | | | | | | Textbook Ch. 7 | | | | Presentation & Discussion | | | | | | | |
| **8** | | Problem Solutions | | | | | | | | | | | | Textbook Ch. 6,7 | | | | Mini Case Study | | | | | | | |
| **9** | | Net Present Value and Other Investment Criteria | | | | | | | | | | | | Textbook Ch. 8 | | | | Presentation & Discussion | | | | | | | |
| **10** | | Risk and Return | | | | | | | | | | | | Textbook Ch. 11 | | | | Presentation & Discussion | | | | | | | |
| **11** | | Capital Budgeting | | | | | | | | | | | | Textbook Ch. 12 | | | | Presentation & Demonstration | | | | | | | |
| **12** | | Corporate Financing | | | | | | | | | | | | Textbook Ch. 14 | | | | Presentation & Demonstration | | | | | | | |
| **13** | | WACC and Company Valuation | | | | | | | | | | | | Textbook Ch. 13 | | | | Presentation & Discussion | | | | | | | |
| **14** | | Problem Solutions | | | | | | | | | | | |  | | | | Exercises | | | | | | | |
| **REFERENCES** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Textbook** | | | | | Brealey Richard A., Myres Stewart C., Marcus Alan J.; Fundamentals of Corporate Finance, McGraw-Hill, USA, 2017 *ISBN-13: 978-1-260-04919-0, ISBN: 1-260-04919-1* | | | | | | | | | | | | | | | | | | | | |
| **Related links** | | | | | Educational Financial Videos - Investopedia Videos www.investopedia.com › [Videos](http://www.google.com.tr/url?url=http://www.investopedia.com/video&rct=j&sa=X&ei=mSZ8Tq39MYfD0QWw9OTTDw&sqi=2&ved=0CC8Q6QUoADAA&q=educational+financial+videos&usg=AFQjCNHwBEZqDlPbXTyQ6ir_0HqXkvBvfA)[Önbellek](http://webcache.googleusercontent.com/search?q=cache:l-Rr-JnZ7ygJ:www.investopedia.com/video/+educational+financial+videos&cd=1&hl=tr&ct=clnk&gl=tr) - [Benzer](http://www.google.com.tr/search?hl=tr&biw=819&bih=468&q=related:www.investopedia.com/video/+educational+financial+videos&tbo=1&sa=X&ei=mSZ8Tq39MYfD0QWw9OTTDw&sqi=2&ved=0CDIQHzAA) -  Bunu genel olarak +1'lediniz. [Geri al](http://www.google.com.tr/##)  Investopedia Video animates the financial concepts you need to know.  <http://www.forexpros.com/> | | | | | | | | | | | | | | | | | | | | |
| **Course Notes** | | | | | Başaran M.; Time Value of Money: “[Calculation Tricks](http://www.cag.edu.tr/download/timevalueofmoney.doc)”  Başaran M.; [Cost of Capital](http://www.cag.edu.tr/download/thecostofcapital.doc)  Başaran M., [Capital Budgeting](http://www.cag.edu.tr/download/capitalbudgeting.doc) | | | | | | | | | | | | | | | | | | | | |
| **Recommended Reading** | | | | | Akgüç Öztin, Finansal Yönetim (9.Basım), Avcıol Basım Yayım, İstanbul, 2013,  ISBN-9789757429098  Ceylan Ali, İşletmelerde Finansal Yönetim (14. Basım), Ekin Basım Yayım, Bursa, 2015,  ISBN-9789757338321  Temel İşletmecilik Bilgisi; H.Özgen, A.Öztürk, A. Yalçın; Nobel Kitabevi, ISBN: 975-8561-07-3; Adana, 2004.  Damodaran A.,Applied Corporate Finance, John Wiley & Sons, USA, 2006, ISBN: 0-471-66093-0  GITMAN L. J.; Principles of Managerial Finance, 11 th Edition, Pierson Education, USA, 2006, ISBN: 0-321—31150-7.  Vernimmen P., Corporate Finance, John Wiley & Sons, USA, 2006, ISBN: 978-0-470-09225-5  Blackwell D., Griffiths M., Winters D., Modern Financial Markets, John Wiley & Sons, USA, 2007, ISBN: 978-0-470-00010-6  Subscription to a weekly finance periodical | | | | | | | | | | | | | | | | | | | | |
| **Material Sharing** | | | | | Solving of [Cheapter-End Problems](http://www.cag.edu.tr/download/problemsolution.rar) and [Presentation Slides](http://www.cag.edu.tr/download/slayts.rar) from WEB Automation System | | | | | | | | | | | | | | | | | | | | |
| **ASSESSMENT METHODS** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Activities** | | | | | | **Number** | | | **Effect** | | | **Notes** | | | | | | | | | | | | | |
| **Midterm Exam** | | | | | | **1** | | | **40%** | | |  | | | | | | | | | | | | | |
| ***Effect of The Activities*** | | | | | | **1** | | | **40%** | | |  | | | | | | | | | | | | | |
| ***Effect of The Final Exam*** | | | | | | **1** | | | **60%** | | |  | | | | | | | | | | | | | |
| **ECTS TABLE** | | | | | | | | | | | | | | | | | | | | | | | | | |
| **Contents** | | | | | | | | **Number** | | | | | **Hours** | | | | | | | | | | | **Total** | |
| **Hours in Classroom** | | | | | | | | **14** | | | | | **3** | | | | | | | | | | | **42** | |
| **Hours out Classroom** | | | | | | | | **14** | | | | | **3** | | | | | | | | | | | **42** | |
| **Homeworks** | | | | | | | | **4** | | | | | **2** | | | | | | | | | | | **8** | |
| **Implementation** | | | | | | | | **3** | | | | | **3** | | | | | | | | | | | **9** | |
| **Quizzes** | | | | | | | | **3** | | | | | **2** | | | | | | | | | | | **6** | |
| **Midterm Exam** | | | | | | | | **1** | | | | | **20** | | | | | | | | | | | **20** | |
| **Fieldwork** | | | | | | | | **1** | | | | | **15** | | | | | | | | | | | **15** | |
| **Final Exam** | | | | | | | | **1** | | | | | **30** | | | | | | | | | | | **30** | |
| **Total**  **Total / 30**  **ECTS Credit** | | | | | | | | | | | | | | | | | | | | | | | | **172** | |
| **=172/30=5,73** | |
| **6** | |
| **RECENT PERFORMANCE** | | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | | |

MAN 307 BUSINESS FINANCE

LEARNING GOALS

1. Be able to define Finance and the role of Financial Manager and to explain how financial markets and institutions channel savings to corporate investment.
2. Give examples of investment and financing decisions that financial managers make
3. Distinguish the difference between real and financial assets
4. Cite some of the advantages and disadvantages of organizing a business as a corporation
5. Describe the responsibilities of the CFO, treasurer, and controller
6. Explain why maximizing market value is the logical financial goal of the corporation
7. Explain why maximization is usually consistent with ethical behavior
8. Explain how corporations mitigate conflicts and encourage corporate behavior
9. Know the basic functions of the corporations and the role of the corporations in financial markets
10. Explain the functions of financial markets & financial institutions
11. Define the basic financial assets traded in financial markets
12. Define the actors of financial markets: financial institutions
13. Use the cost of capital concept for individual and for corporate investment in financial markets
14. Be able to differ the type of interest rates and calculate FV of money invested, PV of a future payment, annuities and set the Cash Flow.
15. Define interest and understand the time value of money
16. Know the types of interest and its basic components
17. Use to set up cash flow diagram
18. Practice by using simple interest tecniques
19. Learn to use compounding formulas
20. Calculate FV of an initial investment and a series of cash payments
21. Apply the calculation techniques to real life problems
22. Define the PV (Present Value) concept and differ it from FV
23. Know the concept of discounting and the difference from interest
24. Use to set up cash flow diagram
25. Learn to use discounting formulas
26. Calculate PV of a future payment and a series of cash payments
27. Apply the calculation techniques to real life problems
    1. Be able to explain the chracteristics and types of Bonds and calculate the market price of a bond given its yield to maturity and vice versa.
28. Define a bond and know basic characteritics and the types of bonds
29. Distinguish among a bond’s coupon rate, current yield and yield to maturity
30. Show why bonds exhibit interest rate risk
31. Understand why investors pay attention to bond ratings
32. Calculate the market price of a bond given its yield to maturity
33. Finsd a bond’s yield given its price
34. Demonstrate why prices and yields vary inversely
35. Be able to explain the chracteristics and types of Stocks and to use basic Stocks Valuation Methods
36. Define a stock and recall basic characteritics and the types of stocks
37. Understand the stock trading reports in the financial pages of newspapers and other media
38. Calculate the PV of a stock given forecasts of the future dividends and future stock price
39. Use the stock valuation formulas to infer the expected rate of return on a common stock
40. Interpret price/earnings ratios
41. Be able to demonstrate the basic rules of Risk, Return and Opportunity Cost of Capital.
    1. Measure and interpret the market risk, or beta of a security
    2. Relate the market risk of a security to the rate of return that investors demand
    3. Calculate the opportinity cost of capital for a project

6. Be able to use Evaluation Techniqes in Capital Budgeting and to apply on projects.

* + 1. Calculate the net present value of an investment (NPV)
    2. Calculate the internal rate of return (IRR) and to look out for when using it
    3. Explain why the payback rule doesn’t always make shareholders better off.
    4. Calculate the profitability index and use it to choose between projects when funds are limited
  1. Be able to explain the fundamentals of Corporate Financing.
     1. Explain why managers should assume that the securities they issue are fairly priced
     2. Describe the major classes of securities sold by the firm
     3. Summarize the changing ways that Turkish Firms have financed their growth
  2. Be able to calculate WACC and use it for Company Valuation
     1. Calculate a firm’s capital structure
     2. Estimate the required rates of return on the securities issued by the firm
     3. Calculate the weighted-average cost of capital
     4. Understand when WACC is or isn’t the appropriate discount rate for a new project
     5. Use WACC to value a business given forecasts of its future cash flows