

Course Profile
Department of Management / Management Program

Course Number : MAN322	Course Title : Corporate Finance
Required / Elective : Required	Pre / Co-requisites : None
Catalog Description: Dividend policy; debt policy; financing and valuation, understanding options, valuing options, real options, debt financing, risk management, financial analysis and planning.	Textbook / Required Material : Ross, Stephen A., Randolph W. Westerfield, and Bradford D. Jordan, <i>Corporate Finance Fundamentals</i> , Mc Graw Hill, 8 th Edition, 2008.
Course Structure / Schedule : (3+0+0) 3 / 6 ECTS	
Extended Description : In the first part of the course, investment and financing decisions will be our main concern. We will focus on (1) the capital budgeting process and (2) dividend and capital structure policies of the firm. In the second part of the course, we will concentrate on some special topics in financial management. We will discuss (1) the basics of risk management, with particular emphasis on how derivatives can be used to hedge financial risks, (2) basic lease terminology and reasons for leasing, learn how to compute the net advantage to leasing	
Design content : None	Computer usage: No particular computer usage required
Course Outcomes: [relevant program outcomes in brackets]: By the end of this course, students will be able to:	
<ol style="list-style-type: none"> 1. Apply capital budgeting techniques to evaluate a firm's investment opportunities. [8] 2. Modify the standard capital-budgeting rules to allow for a precise quantitative assessment of the real options in a project. [8] 3. Determine a firm's overall cost of capital.[2,8] 4. Describe the different ways of raising capital and quantify the amount of flotation cost. [8] 5. Assess the impact of debt/equity decisions on a firm's overall value and its shareholder return. Distinguish between operating risk and financial risk. [2,8] 6. Assess the impact of a firm's dividend policy on its share value. [2,8] 7. Explain the types of volatility that companies can manage, how to develop risk profiles and how derivatives can be used for hedging. [2,8] 8. Discuss the good reasons for leasing and compute the net advantage to leasing.[2,8] 	
Recommended reading:	
Teaching methods: Lectures, slides	
Assessment methods:	

Quizzes: 20%

Midterms: 40%

Final Examination: 40%

Student Workload

Preparatory reading 60 hrs

Lectures38 hrs

Problem Solving 45 hrs

Examinations 7 hrs

TOTAL: 150 hours / 25 = 6 ECTS

Prepared by : Assist. Prof. Aydin Yuksel

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