

Content

| Course Code | Course Name | Semester | Theory | Practice | Lab | Credit | ECTS |
|-------------|--------------------|----------|--------|----------|-----|--------|------|
| EM 533 | Managerial Finance | 3 | 4 | 0 | 0 | 3 | 8 |

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| Prerequisites | |
| Admission Requirements | |

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| Language of Instruction | English |
| Course Type | Compulsory |
| Course Level | Masters Degree |
| Objective | The objective of the course is to review the fundamental concepts and techniques of financial management such as financial analysis, financial forecasting, valuation of corporate securities, portfolio theory, and measure of portfolio performance. A basic knowledge of these techniques is required for proper decision making and improving the financial performance of firms. |
| Content | Overview of financial statements, Financial ratio analysis, Financial forecasting, Financial planning, Time value of money, Risk and rates of return, Portfolio selection, Basics of options markets and option valuation |
| References | - Weston, J.F., Brigham, E.F., Essentials of Managerial Finance, Ninth Edition, The Dryden Press, 1990. - Higgins, R.C., Analysis for Financial Management, Fourth Edition, Irwin, 1995. |

Theory Topics

| Week | Weekly Contents |
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| 1 | Introduction and organization. Overview of financial statements. |
| 2 | Sources and uses statement. Cash flow statement. Inflation and the assessment of company performance . |
| 3 | Financial ratio analysis: Liquidity ratios, asset management ratios, debt management ratios, profitability ratios. Market value ratios. Du Pont system. |
| 4 | Financial forecasting. The percentage of sales method. Financial planning. Breakeven analysis, degree of operating leverage, degree of financial leverage, degree of total leverage. |
| 5 | Time value of money. Risk and rates of return. Defining and measuring risk. Relationship between risk and rates of return. |
| 6 | Midterm |
| 7 | Markowitz portfolio selection model. Capital asset pricing model (CAPM). Basics of arbitrage pricing theory (APT). |
| 8 | Global bond markets. Bond and stock valuation: Bond valuation, common stock valuation. |
| 9 | Methods of portfolio performance evaluation. Cost of capital. |
| 10 | Basics of options markets and option valuation: Option contract, call options, put options, option strategies. Introduction to option valuation. |
| 11 | Project presentations. |