I. GENERAL INFORMATION

II. COURSE INFORMATION

COURSE OBJECTIVES
The main objective of the course is to develop an understanding of financial theory so that the student may evaluate the firm’s investment, financing and dividend decisions.

COURSE DESCRIPTION
The course covers general description of firm’s financial condition and basic financial concepts. Explanation of financial statements and techniques used in financial analysis will be discussed in the course. Topics such as working capital management, optimum capital structure and weighted average cost of capital are also analyzed.

COURSE METHODOLOGY
The class will be conducted in lecture format. Students will be encouraged to participate in class discussion by raising questions and making comments.

COURSE REQUIREMENTS
Students must have a background in elementary algebra and accounting. They are expected to attend classes and participate in class discussions. They are supposed to read the assigned subjects according to course outline given on a weekly basis, before attending the classes. There will be two examinations; one midterm and one final examination.

GRADING INFORMATION & CRITERIA
40% of the midterm exam and 60% of the final exam constitute the raw grade of the course. Raw grade is then converted into letter grade through the curve system. The outcomes are e-mailed to the students.

REQUIRED & PROPOSED MATERIALS
Major Text:

Supplementary Readings:


EXTRA INFORMATION
Students are extracted to read daily financial newspapers and recent articles about the business world.

COURSE OUTLINE
I. Financial Planning and Control
1. Week: Introduction to finance, explanation of basic concepts in finance, summary of related subjects.

II. Basic Financial Statements

4. Week: The Sources and Uses of Funds Statement and Profit Distribution Statement.

III. Techniques Used in Financial Analysis

5. Week: Comparison of financial statements technique.
7. Week: Leverage Ratios, Profitability Ratios and Du Pont System.
8. Week: Mid-term Exam

IV. Working Capital Management

9. Week: Cash Management
10. Week: Accounts Receivable Management
11. Week: Inventory Management

V. Capital Structure of a Firm and WACC

12. Week: Optimum Capital Structure
13. Week: The importance, the use, and the calculation of WACC.
14. Week: Final Exam