



# ÇANKAYA UNIVERSITY

## Faculty of Economics and Administrative Sciences

### Course Definition Form

#### Part I. Basic Course Information

|                        |                           |  |     |
|------------------------|---------------------------|--|-----|
| <b>Department Name</b> | BANKING AND FINANCE       | <b>Dept. Numeric Code</b>                  | 3 5 |
| <b>Course Code</b>     | B A F 2 0 4               | <b>Number of Weekly Lecture Hours</b>      | 3   |
|                        |                           | <b>Number of Weekly Lab/Tutorial Hours</b> | 0   |
| <b>Course Web Site</b> | http:// bf.cankaya.edu.tr | <b>Number of Credit Hours</b>              | 3   |
|                        |                           | <b>ECTS Credit</b>                         | 0 6 |

#### Course Name and Other Course Information

*This information will appear in the printed catalogs and on the web online catalog.*

|                                |                   |
|--------------------------------|-------------------|
| <b>English Name</b>            | Corporate Finance |
| <b>Turkish Name</b>            | Şirket Finansmanı |
| <b>Mode of Delivery</b>        | Face to face      |
| <b>Language of Instruction</b> | English           |

#### Course Description

*Provide a brief overview of what is covered during the semester. This information will appear in the printed catalogs and on the web online catalog. Maximum 60 words.*

This course is designed to build a comprehensive overview corporate finance. Through introducing the main core subjects of corporate finance which will be examined in detail during the upcoming department courses, the main aim of this course is to provide the students the general framework and the required background for most of the other courses. For this purpose, it provides the students a detailed examination of project valuation and cost of capital, leverage and capital structure theories, minimum variance portfolio, asset pricing models, market efficiency, dividend theories and policies as well as asymmetric information and signalling theory, and the notion of financial derivatives along with a brief overview of financial planning, analysis and working capital management.

|   |   |  |   |                 |
|---|---|--|---|-----------------|
| <b>Prerequisites</b><br>(if any)<br><i>Give course codes and check all that are applicable.</i> | 1 <sup>st</sup>   | 2 <sup>nd</sup>                          | 3 <sup>rd</sup>                               | 4 <sup>th</sup> |
|   | <input type="checkbox"/> Consent of the Instructor  | <input type="checkbox"/> Senior Standing | <input type="checkbox"/> Give others, if any. |                 |
| <b>Co-requisites</b><br>(if any)  | 1 <sup>st</sup>   | 2 <sup>nd</sup>                          | 3 <sup>rd</sup>                               | 4 <sup>th</sup> |
| <b>Course Type</b><br><i>Check all that are applicable</i>                                      | <input checked="" type="checkbox"/> Must course for dept. <input type="checkbox"/> Must course for other dept.(s) <input type="checkbox"/> Elective course for dept. <input checked="" type="checkbox"/> Elective course for other dept.(s) |  |   |                 |

**Part II. Detailed Course Information****Course Objectives***Maximum 100 words.*

The main objective of this course is to provide the students a comprehensive framework of corporate finance and to build a background for most of the other courses provided by the department.

**Learning Outcomes***Explain the learning outcomes of the course. Maximum 10 items.*

After successfully completing this course, the students will be able to:

- calculate the net present value and internal rate of return
- discuss the payback/discounted payback period and profitability index methods
- calculate and explain the cost of capital
- understand the capital structure and leverage
- explain the aim and the tools of financial planning and analysis
- discuss the dividend theories and policies
- understand the content and the importance of short-term financial management
- evaluate the impact of financing decisions on the riskiness and the profitability firms
- explain the minimum variance portfolio concept
- handle capital asset pricing model
- explain market efficiency and anomalies

discuss the notion of financial derivatives

**Textbook(s)***List the textbook(s), if any, and other related main course material.*

| Author(s)  | Title                           | Publisher   | Publication Year | ISBN                 |
|--|---------------------------------|-------------|------------------|----------------------|
| BREALEY Richard R.,<br>MYERS Stewart C., and<br>Franklin ALLEN | Principals of Corporate Finance | McGraw-Hill | 2009             | 978-007-<br>126326-9 |

**Reference Books***List, if any, other reference books to be used as supplementary material.*

| Author(s) | Title | Publisher | Publication Year | ISBN |
|-----------|-------|-----------|------------------|------|
|           |       |           |                  |      |

**Teaching Policy***Explain how you will organize the course (lectures, laboratories, tutorials, studio work, seminars, etc.)*

In conducting the course, lectures will be accompanied with exercise problems and case studies to provide the students a better practical expertise.

**Laboratory/Studio Work***Give the number of laboratory/studio hours required per week, if any, to do supervised laboratory/studio work and list the names of the laboratories/studios in which these sessions will be conducted.*

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**Computer Usage***Briefly describe the computer usage and the hardware/software requirements for the course.*

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| <b>Course Outline</b>                        |  |
|--|--|
| <i>List the weekly topics to be covered.</i> |  |
| Week   | Topic(s)   |
| 1  | Overview of Financial Management   |
| 2  | Introduction to Capital Budgeting  |
| 3  | Project Appraisal and Cost of Capital  |
| 4  | Capital Structure and Leverage   |
| 5  | Capital Structure and Leverage (continued)                                   |
| 6  | Basics of Financial Planning and Financial Analysis                          |
| 7  | Midterm Week   |
| 8  | Introduction to Working Capital Management                                   |
| 9  | Expected Return and Risk, Markowitz Model and CML                            |
| 10   | Asset Pricing Models: CAPM, SCL, SML   |
| 11   | Asset Pricing Models: CML vs. SML, APT, 3-Factor Model and Market Efficiency |
| 12   | Portfolio Management Strategies and Performance Measures                     |
| 13   | Dividend Theories and Policies, Asymmetric Information and Signalling Theory |
| 14   | Basics of Financial Derivatives  |

| <b>Grading Policy</b>  |          |            |                 |          |            |                 |          |            |
|--|----------|------------|-----------------|----------|------------|-----------------|----------|------------|
| <i>List the assessment tools and their percentages that may give an idea about their relative importance to the end-of-semester grade.</i> |          |            |                 |          |            |                 |          |            |
| Assessment Tool  | Quantity | Percentage | Assessment Tool | Quantity | Percentage | Assessment Tool | Quantity | Percentage |
| Midterm Exam   | 1        | 40         |                 |          |            |                 |          |            |
| Final Exam   | 1        | 50         |                 |          |            |                 |          |            |
| Class Participation  | 14       | 10         |                 |          |            |                 |          |            |

| <b>ECTS Workload</b>  |          |                  |                        |
|---|----------|------------------|------------------------|
| <i>List all the activities considered under the ECTS.</i>                             |          |                  |                        |
| Activity  | Quantity | Duration (hours) | Total Workload (hours) |
| Attending Lectures ( <i>weekly basis</i> )  | 14       | 3                | 42                     |
| Attending Labs/Recitations ( <i>weekly basis</i> )                                    |          |                  |                        |
| Preparation beforehand and finalizing of notes ( <i>weekly basis</i> )                | 14       | 2                | 28                     |
| Collection and selection of relevant material ( <i>once</i> )                         | 1        | 5                | 5                      |
| Self study of relevant material ( <i>weekly basis</i> )                               | 14       | 2                | 28                     |
| Homework assignments  |          |                  |                        |
| Preparation for Quizzes   |          |                  |                        |
| Preparation for Midterm Exams ( <i>including the duration of the exams</i> )          | 1        | 15               | 15                     |
| Preparation of Term Paper/Case Study Report ( <i>including oral presentation</i> )    |          |                  |                        |
| Preparation of Term Project/Field Study Report ( <i>including oral presentation</i> ) |          |                  |                        |
| Preparation for Final Exam ( <i>including the duration of the exam</i> )              | 1        | 15               | 15                     |
| <b>TOTAL WORKLOAD / 25</b>  |          |                  | 133/25=5,32            |
| <b>ECTS Credit</b>  |          |                  | <b>5</b>               |

**Program Qualifications vs. Learning Outcomes** Consider the program qualifications given below as determined in terms of learning outcomes and acquisition of capabilities for all the courses in the curriculum. Look at the learning outcomes of this course given above. Relate these two using the Likert Scale by marking with X in one of the five choices at the right.

| No     | Program Qualifications  | Contribution |   |   |   |   |
|--------|---|--------------|---|---|---|---|
|        |   | 0            | 1 | 2 | 3 | 4 |
| BAF-1  | Be able to monitor and analyze the dynamics of banking and financial markets.   |              |   |   | x |   |
| BAF-2  | Be able to utilize the basic knowledge that obtained with an interdisciplinary approach to business, economics, etc. in creating expertise in the fields of Banking and Finance in accordance with the requirements of the globalized business environment. |              |   |   | x |   |
| BAF-3  | Be able to identify and analyze the validity of theories related to the banking and finance and their relationships regarding current conditions.   |              |   |   | x |   |
| BAF-4  | Have a good knowledge of the regulations and legislation underpinning the financial markets and institutions.   |              |   | x |   |   |
| BAF-5  | Have the ability to efficiently perform all responsibilities of managerial finance within a corporation.  |              |   | x |   |   |
| BAF-6  | Be able to use quantitative techniques and methods that are predominantly used in banking and finance.  |              |   |   |   | x |
| BAF-7  | Be able to use the theoretical and practical knowledge obtained in his/her field in analyzing and evaluating data.  |              |   |   | x |   |
| BAF-8  | Be able to construct, analyze and interpret financial and economic models   |              |   |   |   | x |
| BAF-9  | Be able to understand and evaluate the problems in banking and finance and to discuss and express his/her opinions clearly.   |              |   |   | x |   |
| BAF-10 | Gain self-evaluation skills to identify exactly his/her self-learning and self-improvement needs, being at the same time equipped with the capacity to follow advanced courses and degree studies.  |              |   |   | x |   |
| BAF-11 | To maintain scientific, social, and ethical standards when collecting, interpreting, and disseminating financial information, and in application of financial ideas.  |              |   | x |   |   |

Scale for contribution to a qualification: 0-none, 1-little, 2-moderate, 3-considerable, 4-highest