



ÇANKAYA UNIVERSITY

Faculty of Economics and Administrative Sciences

Course Definition Form

Part I. Basic Course Information

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

Course Name and Other Course Information

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

English Name	Capital Budgeting
Turkish Name	Sermaye Bütçelemesi
Mode of Delivery	Face to face
Language of Instruction	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.

Capital budgeting and financing decisions are primarily concerned with the major financial decisions faced by firms. These decisions can be broadly categorized as the investment policy, the financing policy, the dividend/repurchase policy, and the restructuring policy. This course will examine the main theories and empirical evidence surrounding these decisions and to use this knowledge to help solve typical 'real' finance problems

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

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

This course is aimed at exploring the capital budgeting process, tools and techniques as well as a discussion on some important concerns such as how to treat inflation and taxation. As capital budgeting decisions which is one of the most basic questions a financial manager faces, deals with questions such as how much should the firm invest, what specific real assets should the firm invest in and which projects should the firm undertake, it is one of the most vital areas of finance that is central to the company's success or failure.

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

Upon completion of the course, the student will:

- have the ability to model and financially calculate different types of long-term investment projects and to be able to critically question established investment calculations.
- have knowledge about fundamental concepts, methods and criteria with investment assessment.
- have knowledge about different types of company valuation methods and when and how they can be applied
- understand the different ways that investment calculations and company valuation methods are able to be used
- be able to independently model an true-life situation to a summarised investment calculation
- be able to do sensitivity analyses in order to identify risks and opportunities with investments
- be able to understand investment assessment in the organisation's collective management control
- have the ability to see company evaluations as a special case of investment assessment
- understand when various types of company valuation models are relevant.

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

Author(s)	Title	Publisher	Publication Year	ISBN
Pamela P. Peterson Frank J. Fabozzi	Capital Budgeting: Theory and Practice	Wiley	2002	0471-218-332
Harold Bierman, Seymour Smidt,	The Capital Budgeting Decision: Economic Analysis of Investment Projects	Taylor&Francis	2006	978-9814298322

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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Course Outline	
<i>List the weekly topics to be covered.</i>	
Week	Topic(s)
1	Conceptual Framework
2	Investment Decisions
3	Capital Budgeting Evaluation Techniques
4	Capital Budgeting Evaluation Techniques
5	Mutually Exclusive Investments
6	Capital Budgeting and Risk
7	Midterm Week
8	Capital Budgeting and Risk
9	Cost of Capital
10	Cost of Capital
11	Cost of Capital
12	Buy Versus Lease
13	Foreign Investments
14	Introduction to Real Options

Grading Policy								
<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						

ECTS Workload			
<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>)			
Compilation and finalization of course/lecture notes (<i>weekly basis</i>)	14	1	14
Collection and selection of relevant material (<i>once</i>)	1	5	5
Self study of relevant material (<i>weekly basis</i>)	14	2	28
Take-home assignments			
Preparation for quizzes			
Preparation for mid-term 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	25	25
TOTAL WORKLOAD / 25			129/25=5,16
ECTS Credit			5

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
1	Be able to monitor and analyze the dynamics of banking and financial markets.				x	
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
3	Be able to identify and analyze the validity of theories related to the banking and finance and their relationships regarding current conditions.					x
4	Have a good knowledge of the regulations and legislation underpinning the financial markets and institutions.				x	
5	Have the ability to efficiently perform all responsibilities of managerial finance within a corporation.			x		
6	Be able to use quantitative techniques and methods that are predominantly used in banking and finance.				x	
7	Be able to use the theoretical and practical knowledge obtained in his/her field in analyzing and evaluating data.					x
8	Be able to construct, analyze and interpret financial and economic models				x	
9	Be able to understand and evaluate the problems in banking and finance and to discuss and express his/her opinions clearly.					x
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
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