

COURSE OUTLINE, 2019-20_1
AD 311.03 Business Finance

Boğaziçi University, Department of Management

Instructor: Attila Odabaşı
Office: IB 403,
Phone: (212) 359 6806, E-Mail: odabasi@boun.edu.tr

Class Meetings: TTW 234; Local: M1171.
Office Hours: T 14:00-15:00 and Th 12:00-13:00 or by appointment
TA: TBA

Course Description: AD311 is the introductory finance course in our curriculum. The course aims to introduce you to basic concepts of managerial finance. so you can solve basic financial management problems.

Course Prerequisite: AD 211 or AD 213 or AD 216

Course Objectives: The course will cover the following topics: The primary goal in a publicly traded firm and the agency problems related to that; valuing cash flows – time value of money, making investment decisions – capital budgeting; understanding the role of risk in financial decision making - cost of capital; raising capital and capital structure concept; and dividend policy.

Text Book and Other Sources:

Text Book: “Principles of Corporate Finance”, Brealey, Myers, and Allen, McGraw-Hill, 2017, 129th Ed.

Course website: <http://odabasi.boun.edu.tr/>. I will post announcements, lecture notes, assignments, and the related material on the course website. You are expected to visit the page regularly.

Course Requirements:

- Grades will be based on a mid-term exam and a final exam (with a total weight of 75%), problem sets (15%) and attendance and class participation (10%).
- The mid-term and final are not cumulative. You must take them both. The exams are closed book.
- Unless there is a documented health related reason, there will be no make-up exam and late homeworks will not be accepted.
- Should you be excused for the mid-term exam you may have to wait until the end of semester for a make-up.
- You should attend classes and participate in class discussions. However, attending the classes only does not guarantee you to get the full points for class participation.
- **Class Participation:** Regular class attendance is mandatory. Active class participation is an important aspect of effective learning. Sharing your ideas and experience, asking questions, contributing to class discussions, and participating in in-class exercises will benefit you and your classmates. Excused absences are not given for job interviews, work conflicts; family celebrations. Excessive absences will be penalized.
- To get a good grasp of the course and to prepare for the exams, you should read the book and solve the end-of-chapter problems and do the homeworks.

Classroom Responsibilities:

- Bring a mature, professional attitude to class. Attendance on-time is proper business etiquette and a minimal requirement for classroom participation. Being regularly late is unprofessional. Because participation is a part of the grading system of this course, frequent late arrivals is not to your advantage.
- Interfering with learning of others is not acceptable (For ex., engaging in side conversations).
- The use of handheld communication devices is forbidden in class.
- You acknowledge that the use of laptops and tablets is allowed for specific purpose of note-taking only.
- You should abide by the University's rule concerning academic misconduct and appreciate the serious consequences of a violation of these rules.

Academic Honesty and Misconduct:

Academic honesty requires that the course work, including exams and reports that a student presents to an instructor honestly and accurately indicates the student's own academic efforts. The University code defines academic misconduct. Examples include but are not limited to: using another person's written answers, ideas, words, or research and presenting it as one's own by not properly crediting the originator; signing another person's name to an attendance sheet; using notes or a programmable calculator in an exam when such use is not allowed.

Tentative Class Schedule (Subject to Change):

<u>Week of</u>	<u>Lec.</u>	<u>Topic</u>	<u>Ch in BMA</u>	
Sep 24	1	Introduction to Corporate Finance,	1, 12*	
Oct 01	2	Time Value of Money	2	
Oct 08	3	Simple Valuation of Bonds and Stocks	3	
Oct 15	4	Simple Valuation of Bonds and Stocks	4	
Oct 22	5	A Comparison of Investment Criteria	5	
Nov 05	6	DCF Analysis for Investment Decisions	6	
Nov 12	7	MIDTERM		
Nov 19	8	Risk and Return	7	
Nov 26	9	Risk and Return	8	
Dec 03	10	Cost of Capital	9	
Dec 10	11	Project Analysis	10, 11	
Dec 17	12	Review		

(*) Reading from the book.