

Course Title	Essentials of Financial Analysis				
Course Code	AEF135				
Course Type	Compulsory				
Level	Bachelor (1 st Cycle)				
Year / Semester	1 st Year / 2 nd Semester				
Teacher's Name	TBA				
ECTS	6	Lectures / week	3 Hours / 14 weeks	Laboratories / week	None
Course Purpose and Objectives	An introductory comprehensive analysis of the main concepts prevailing in the area of Finance. The course begins with basic concepts, focusing on the economic environment (including financial markets), risk and the valuation process, and it then shows how specific techniques and decision rules can be used to help maximize the value of the firm. Students will be exposed to modern methods of performing financial analysis of public companies.				
Learning Outcomes	<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> • Describe the scope of finance and financial management, the role of the financial manager, and the Agency Problem • Explain and discuss working capital and evaluate the working capital position of a given firm. • Describe and calculate Present Value, Opportunity Cost of Capital, Net Present Value and other Investment Criteria • Evaluate common stocks • Explain and evaluate the concepts Risk and Return • Analyze the relationship between Capital Budgeting and Risk • Evaluate specific investment decisions, such as lease or buy, asset replacement, and capital rationing • Solve problems, including the ability to manipulate financial and other numerical data 				
Prerequisites	AEF100, AEF110, BUS100.	Co-requisites	None		
Course Content	<p>1. Financial management and financial objective</p> <p>Explain the nature and purpose of financial management and its relationship between financial and management accounting. Identify and describe the different financial objective and discuss their relationship with corporate objectives and strategy. Identify and describe the different stakeholders and their impact on corporate</p>				

	<p>objective. Discuss the financial and other objectives in not-for-profit organizations.</p> <p>2. Financial Management Environment</p> <p>Identify and explain the main macroeconomic policy targets and the role of interest rates, fiscal and monetary policy in achieving those targets. Discuss how government economic policies interact with the business decisions - making and explain the need for such interaction. Identify and explain the nature and the role of financial markets and institutions.</p> <p>3. Working Capital Management.</p> <p>Discuss, apply and evaluate the use of relevant techniques in managing inventory, account receivable and account payables. Determine working capital needs and funding strategies.</p> <p>4. Investment Appraisals with the use of discounting cash flows</p> <p>Explain and apply concepts relating to interest and discounting. Calculate the Net Present Value and Internal Rate of Return and discuss their usefulness as an investment appraisal method. Apply and discuss the real-terms and nominal terms approaches to investment appraisals. Calculate the taxation effects of relevant cash flows.</p> <p>5. Project Appraisals and Risk</p> <p>Calculate discounted payback and discuss its usefulness as an investment appraisal method. Describe and discuss the difference between risk and uncertainty in relation to probabilities and increasing project life. Apply and discuss sensitivity and probability analysis, and other techniques to investment projects.</p> <p>6. Specific Investment Decisions</p> <p>Evaluate leasing and borrowing to buy using before and after tax costs of debt. Evaluate asset replacement decisions and investment decisions under single period capital rationing. Calculate profitability index for divisible and NPV for non-divisible projects.</p> <p>7. Recent developments and contemporary issues pertaining to the subject matter of the course.</p>
Teaching Methodology	Face-to-face
Bibliography	<p>Ross S., Westerfield R. and Jordan B.: Fundamentals of Corporate Finance, Latest Edition, Irwin, McGraw Hill</p> <p>Bodie Z. and Merton R.: Finance, Latest Edition, Prentice Hall</p>

	<p>Richard A. Brealey and Steward A. Mayers : Principles Of Corporate Finance, Latest Edition, Irwin, McGraw Hill</p> <p>BPP Notes for F9-ACCA, latest edition.</p> <p>Weston and Brigham: Essentials Of Managerial Finance, Latest Edition, The Dryden Press</p> <p>Brealey, R, Myers, S and Allen. Principles of Corporate Finance. McGraw Hill. Latest Edition.</p> <p>Parrino, R, Kidwell, D S, Bates, T and Gillan, S L. Fundamentals of Corporate Finance. Willey. Latest Edition.</p>		
Assessment	Examinations	70%	
	Class Participation and Attendance	10%	
	Assignments	20%	
		100%	
Language	English		