

Course Title	Fundamentals of Finance				
Course Code	AEM610				
Course Type	Compulsory				
Level	Master (2 nd Cycle)				
Year / Semester	1 st Year / 1 st Semester				
Teacher's Name	TBA				
ECTS	10	Lectures / week	3 Hours / 14 weeks	Laboratories / week	None
Course Purpose and Objectives	The course provides students with the basic tools of Finance and their usefulness in decision making. The course aims to develop students' understanding of the basic principles of finance and a very good foundation on how businesses are organized, how they make decisions and how they finance their decisions. The objective of the course is to improve student's ability to use the tools of finance in the decision-making process.				
Learning Outcomes	<p>Upon successful completion of this course students should be able to:</p> <ul style="list-style-type: none"> • Assess the implications of the general strategic objectives of the organisation for the finance function; • Critically assess the role of the organization's financial managers in realizing these strategic objectives. • Assess and critically evaluate the different sources of corporate finance (e.g. equity, debt, retained earnings etc.) and to debate the relative advantages and disadvantages of each source. • Assess how risk and the cost of capital affects investment appraisal, and test the effect of these factors on the value of a capital project. • Measure the cost of capital of the organization, and assess how this cost is influenced by taxation, "leverage" and other factors. • Assess the external and internal influences on a corporation's capital structure, payout policy and policy in respect of risk management (via insurance, derivatives, and other instruments). • Critically evaluate the relationship among corporation's capital structure, payout policy and risk policy and their impact upon investment decisions. 				
Prerequisites	None	Co-requisites	None		
Course Content	<p>Key Concepts of Corporate Finance</p> <p>Valuation and Capital Budgeting Discounted Cash Flow Valuation; Net Present Value and Other Investment Rules ; Making Capital Investment Decisions; Risk Analysis, Real Options, and Capital Budgeting; Interest Rates and Bond Valuation; Stock Valuation;</p>				

	<p>Risk Lessons from Market History; Return, Risk, and the Capital Asset Pricing Model (CAPM); An Alternative View of Risk and Return: The Arbitrage Pricing Theory Cost of Capital and Valuation;</p> <p>Capital Structure and Dividend Policy Efficient Capital Markets and Behavioral Challenges Long-Term Financing; Capital Structure: Basic Concepts; Capital Structure: Limits to the Use of Debt; Valuation and Capital Budgeting for the Levered Firm; Dividends and Other Payouts;</p> <p>Long-Term Financing Raising Capital; Leasing;</p> <p>Financial Derivatives Forwards, Futures, Options, and Swaps; Financial Derivatives: Extensions and Applications Warrants and Convertibles; Derivatives and Hedging Risk; Black-Scholes model; Risk-Neutral Pricing;</p> <p>Short-Term Finance Short-Term Finance and Planning; Cash Management; Credit and Inventory Management;</p> <p>Special Topics Stock Market Dynamics (SDEs, Geometric Brownian Motion, Gaussian Process; Mergers, Acquisitions, and Divestitures; Financial Distress; International Corporate Finance; Corporate Governance;</p>
Teaching Methodology	Face-to-face
Bibliography	<p>Jaffe, J. Westerfield, R. and Ross, S. Corporate Finance. McGraw-Hill Education. Latest edition.</p> <p>Bodie, Z. Kane, A. and Marcus, A. ISE Investments. McGraw-Hill Education. Latest Edition.</p> <p>Keith, C. Investments. John Wiley. Latest Edition.</p> <p>Elton, E., et al. Modern portfolio theory and investment analysis. John Wiley. Latest edition.</p> <p>Jonathan, B. Corporate finance. Pearson. Latest Edition.</p>

Assessment	<table border="1" data-bbox="1015 248 1243 398"> <tr> <td data-bbox="475 248 1015 282">Examinations</td> <td data-bbox="1015 248 1243 282">50%</td> </tr> <tr> <td data-bbox="475 282 1015 315">Assignments</td> <td data-bbox="1015 282 1243 315">40%</td> </tr> <tr> <td data-bbox="475 315 1015 349">Class Participation and Attendance</td> <td data-bbox="1015 315 1243 349">10%</td> </tr> <tr> <td data-bbox="475 349 1015 383"></td> <td data-bbox="1015 349 1243 383">100%</td> </tr> </table>	Examinations	50%	Assignments	40%	Class Participation and Attendance	10%		100%
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Language	English								