

Course Title	Business Economics and Finance in a Global Environment				
Course Code	DBA710				
Course Type	Compulsory				
Level	D.B.A. (3 rd Cycle)				
Year / Semester	1 st Year / 2 nd Semester				
Teacher's Name	TBA				
ECTS	10	Lectures / week	3 Hours / 14 weeks	Laboratories / week	None
Course Purpose and Objectives	<p>The course deals with a variety of issues related to finance and economics that help management to make rational decisions in the business environment. Students will be introduced to the tools of economic and financial analysis and will learn how to manage better the resources of an organization that will lead to maximizing the value of shareholders. Students will also be exposed to the real world situations where theory and practice come together.</p>				
Learning Outcomes	<p>Upon succesful completion of this course, students should be able to:</p> <ul style="list-style-type: none"> • Implement economic and financial tools in decision making and problem solving • Demonstrate knowledge of the principles of good corporate governance, internal control and professional ethics • Comprehend the basics of time value of money and its applications • Evaluate and analyze the various methods of investment appraisal • Understand risk and how it affects financial analysis and decision making • Illustrate awareness of the financial markets' operation and understand and its significance for corporations and the economy in general • Analyze real-world business problems with a systematic theoretical framework • Apply statistical techniques (e.g., regression analysis) to estimate demand. 				
Prerequisites	None		Co-requisites	None	

Course Content

Introduction to Financial Management

- Financial management and the management functions
- The significance of investments in the future growth of the company
- The management of working capital of the company
- The return on capital for the company and shareholders
- The role of financial manager and the treasurer

Agency Problem and Corporate Governance

- The nature of agency problem
- The agency costs that arise from the agency problem
- Corporate governance systems
- Alignment of management interests with those of the shareholders
- Share option schemes

Time Value of Money and Applications and Risk and Returns

- The time value of money
- The power of compounding
- Compounding and discounting
- Annual, semiannual and quarterly compounding
- Loan payments and loan amortization

Capital Budgeting Techniques

- The need for investment appraisal for a business
- The use of then net present value and the other methods of investment appraisal
- The internal rate of return method and its limitations
- The payback period and the modified discount payback period
- The internal rate of return method

Shares and Bonds

- The role of financial markets in the economy
- Common shares, preferred shares and bonds as sources of financing for the company
- Relationship between risk and return
- Various financing tools and choose then best one under the circumstances
- Dividend policy of the company and whether it can enhance shareholder value.

Financial Statement Analysis

- Calculation of ratios
- Interpretation of ratios and comparison them with the company with its past as well as with its competitors

Working Capital Management

- What working capital is and why it is important for a business
- Trade-off between liquidity and profitability

Introduction to Managerial Economics

- How scarcity affects managerial decision making
- How goals, constraints, incentives, and market rivalry affect economic decisions
- Economics versus accounting profits and costs
- The role of profits in a market economy
- Marginal analysis to determine the optimal level of a managerial control variable
- Application of economics models in a business environment

Supply and Demand Analysis

- The laws of demand and supply, and factors that cause demand and supply to shift
- Calculate consumer surplus and producer surplus and describe what they mean
- Taxes ad valorem taxes, price floors, and price ceilings and their effect on the functioning of a market
- Supply and demand analysis as a qualitative forecasting tool
- Price determination in a competitive market, and changes in equilibrium price with changes in determinants of demand and supply

Demand Estimation and Elasticities

- Various elasticities of demand as a quantitative tool to forecast changes in revenues, prices, and/or units sold.
- The relationship between the elasticity of demand and total revenues
- The three factors that influence whether the demand for a given product is relatively elastic or inelastic
- The relationship between marginal revenue and the own price elasticity of demand
- Determination of elasticities from linear and log-linear demand functions
- Regression analysis in estimating demand functions, and how to interpret and use the output of the regression.

Production

- Alternative ways of measuring the productivity of inputs and the role of then manger in the production process

	<ul style="list-style-type: none"> - Short run and long run in production and their implications on productivity - Use isoquants to explain the substitution between labor and capital - Use isoquant analysis to illustrate optimal input substitution - Short-run and long-run production decisions and indicate their impact on economies of scale. - The relationship between marginal product of labor and marginal product of capital in the long-run <p>Costs</p> <ul style="list-style-type: none"> - Opportunity cost in managerial decision making - Behavior of costs in the short-run - Isocost curves - Relevant costs and their use in decision making - How efficient production leads to lower costs of production <p>International Financial Management</p> <ul style="list-style-type: none"> - Challenges, opportunities and risk that a multinational business may face when operating abroad - Difference between spot and forward exchange rates - The basic relationships between spot exchange rates, forward exchange rates, interest rates and inflation rates. - Strategies to protect the firm against foreign exchange risk - Net Present Value analysis for projects with cash flows in foreign currencies
Teaching Methodology	Face to face
Bibliography	<p>Business Finance, Theory and Practice, by Eddie McLaney, Pearson Education Publishers, latest edition</p> <p>Principles of Corporate Finance, Richard Brealey and Stewart Myers and Franklin Allen, McGraw Hill, Latest Edition</p> <p>Managerial Economics, by William F. Samuelson and Stephen G. Marks, Wiley publishers, latest edition</p> <p>Managerial Economics in a Global Economy, by Dominick Salvatore , Oxford University Press, Latest Edition</p>

Assessment	<table><tr><td>Examinations</td><td>60%</td></tr><tr><td>Assignments</td><td>30%</td></tr><tr><td>Class Participation and Attendance</td><td>10%</td></tr><tr><td></td><td>100%</td></tr></table>	Examinations	60%	Assignments	30%	Class Participation and Attendance	10%		100%
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Language	English								