

Course Title	Fundamentals of Finance				
Course Code	AED610				
Course Type	Compulsory				
Level	Master (2 <sup>nd</sup> Cycle)				
Year / Semester	1 <sup>st</sup> Year / 1 <sup>st</sup> Semester				
Teacher's Name	TBA				
ECTS	10	Lectures / week	Up to 6 Teleco- nferences	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"> <li>• Assess the implications of the general strategic objectives of the organisation for the finance function;</li> <li>• Critically assess the role of the organization's financial managers in realizing these strategic objectives.</li> <li>• 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.</li> <li>• 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.</li> <li>• Measure the cost of capital of the organization, and assess how this cost is influenced by taxation, "leverage" and other factors.</li> <li>• 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).</li> <li>• Critically evaluate the relationship among corporation's capital structure, payout policy and risk policy and their impact upon investment decisions.</li> </ul>				
Prerequisites	None		Co-requisites	None	
Course Content	<p><b>Key Concepts of Corporate Finance</b></p> <p><b>Valuation and Capital Budgeting</b>  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><b>Risk</b>  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><b>Capital Structure and Dividend Policy</b>  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><b>Long-Term Financing</b>  Raising Capital;  Leasing;</p> <p><b>Financial Derivatives</b>    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><b>Short-Term Finance</b>  Short-Term Finance and Planning;  Cash Management;  Credit and Inventory Management;</p> <p><b>Special Topics</b>  Stock Market Dynamics (SDEs, Geometric Brownian Motion, Gaussian Process;  Mergers, Acquisitions, and Divestitures;  Financial Distress;  International Corporate Finance;  Corporate Governance;</p>
Teaching Methodology	E - Learning
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"><tr><td data-bbox="456 253 991 286">Examinations</td><td data-bbox="994 253 1222 286">50%</td></tr><tr><td data-bbox="456 291 991 324">Assignments/On-going evaluation</td><td data-bbox="994 291 1222 324">50%</td></tr><tr><td data-bbox="456 329 991 362"></td><td data-bbox="994 329 1222 362">100%</td></tr></table>	Examinations	50%	Assignments/On-going evaluation	50%		100%
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Language	English						