

**IAM 521 – FINANCIAL MANAGEMENT**

M, W 13:15 – 14:30 (G 107, FEAS-B)

Instructor	Office	Phone	E-mail	Office Hours
Dr. Seza Danişoğlu	FEAS - B H 112	210 2035	<a href="mailto:seza@metu.edu.tr">seza@metu.edu.tr</a>	M: 14:30 – 16:30 T: 14:30 – 16:30
Dr. Nuray Güner	FEAS - B H 113	210 3075	<a href="mailto:nurayg@metu.edu.tr">nurayg@metu.edu.tr</a>	T: 13:15 – 14:30 Th: 13:15 – 14:30
Dr. Adil Oran	FEAS - B H 114	210 2041	<a href="mailto:adiloran@metu.edu.tr">adiloran@metu.edu.tr</a>	T: 10:15 – 11:30

**Course Web Page:** <http://groups.yahoo.com/group/iam521>

**COURSE OBJECTIVES:**

The objective of this course is to familiarize the students with the world of finance, viewed especially from a corporation's angle. The technical objectives include teaching about a wide array of concepts ranging from the basics of risk, return, time value of money and valuation to the more advanced discussions of capital budgeting and capital structure. The conceptual objectives include creating awareness about the variety and complexity of the financial decisions that are faced by the manager of a corporation on a daily basis. Finally, the philosophical objectives include demonstrating how the "world of finance" can be fascinatingly interesting and surprisingly challenging in a rather enjoyable way!

**READING MATERIAL:**

1. Any fairly recent Introductory Financial Accounting textbook.
2. **Brigham, E.F. and M.C. Ehrhardt, Financial Management: Theory and Practice with Thomson ONE, 12<sup>th</sup> Edition, Thomson Learning, Inc., USA, 2008, ISBN: 032422695.**

**COURSE REQUIREMENTS:**

The students will be assigned readings from the textbooks and they will be expected to come to class prepared and ready to take part in class discussions.

Also, during the term, end-of-chapter problems may be assigned as homework.

**EXAMS:**

There will be two midterms and a final. The exam schedule is as follows:

<b>1<sup>st</sup> Midterm</b>	<b>:</b>	<b>Tuesday, October 27, 2009, 17:45 – 20:00</b>
<b>2<sup>nd</sup> Midterm</b>	<b>:</b>	<b>Thursday, December 3, 2009, 17:45 – 20:00</b>
<b>Final Exam</b>	<b>:</b>	<b>Monday, January 18, 2010, 09:30 – 12:00</b>

## GRADING:

Your total score in the course will be determined by the following weights:

Midterm Examination 1	20%
Midterm Examination 2	20%
Final Examination	45%
Homework Assignments	15%

No "extra" work above the aforementioned will be accepted or credited.

There will be no make-ups for exams or homework assignments.

## READING ASSIGNMENTS:

The following pages give the schedule for the reading assignments. The lectures will stress the most important and/or most difficult material. Appendices are required only if they are assigned. The students are required to read the chapters and appendices before they are covered in class.

## PRESENTATION SLIDES:

A copy of the presentation slides is available at the course web page. These slides can be used as chapter summaries and utilized while taking down notes during class.

## OTHER NOTES:

- Usage of cellular phones is not allowed during class.
- Please arrive on time and do not enter the classroom after we already have entered. If you have to leave early, please inform us in advance.
- The homework assignments are due at the beginning of the class period. Please note that no late assignments (no matter how late) will be accepted once the class starts.
- Your course grade will partially depend on the grades you get from the weekly assignments. For these assignments, collaboration is but copying is not allowed.
- You are encouraged to drop by our offices during office hours for questions, concerns, or suggestions. Outside the office hours, please make an appointment with us in advance, before or after the class, via phone or e-mail.

Good luck to all of you!!

SD, NG, AO

Tentative Course Schedule			
Month	Day	Topic	Reading Assignment
		<b>Dr. Oran</b>	
September	28	Introduction Semester Overview An Overview of Financial Management and Financial Environment	Chapter 1
	30	Financial Accounting Review: Financial Statements, Cash Flow, and Taxes	Chapter 3
October	5	Financial Accounting Review: Financial Statements, Cash Flow, and Taxes (Cont'd)	Chapter 3
	7	Financial Accounting Review: Financial Statements, Cash Flow, and Taxes (Cont'd)	Chapter 3
	12	Analysis of Financial Statements	Chapter 4
	14	Analysis of Financial Statements (Cont'd)	Chapter 4
	19	Analysis of Financial Statements (Cont'd)	Chapter 4
	21	An Overview of Financial Management and Financial Environment	Chapter 1
	26	An Overview of Financial Management and Financial Environment (Cont'd)	Chapter 1
	<b>27</b>	<b>Midterm Examination 1</b> <b>@ 17:45</b> <b>Chapters: 1, 3, 4</b>	
		<b>Dr. Danişoğlu:</b>	
	28	Risk, Return and the Capital Asset Pricing Model	Chapter 6
November	2	Risk, Return and the Capital Asset Pricing Model (Cont'd) Portfolio Theory and Other Asset Pricing Models	Chapter 6 Chapter 7
	4	Portfolio Theory and Other Asset Pricing Models (Cont'd)	Chapter 7
	9	Time Value of Money	Chapter 2
	11	Time Value of Money (Cont'd)	Chapter 2
	16	Bonds, Bond Valuation and Interest Rates	Chapter 5
	18	Bonds, Bond Valuation and Interest Rates (Cont'd)	Chapter 5
	23	Bonds, Bond Valuation and Interest Rates (Cont'd)	Chapter 5
	25	Stocks, Stock Valuation and Stock Market Equilibrium	Chapter 8
	<b>30</b>	<b>Day of no classes (Bayram Holiday)</b>	
December	2	Stocks, Stock Valuation and Stock Market Equilibrium (Cont'd)	Chapter 8
	<b>3</b>	<b>Midterm Examination 2</b> <b>@ 17:45</b> <b>Chapters: 2, 5, 6, 7, 8</b>	
		<b>Dr. Güner:</b>	
	7	The Cost of Capital	Chapter 10
	9	The Basics of Capital Budgeting: Evaluating Cash Flows	Chapter 11
	14	The Basics of Capital Budgeting: Evaluating Cash Flows (Cont'd)	Chapter 11
	16	Cash Flow Estimation and Risk Analysis	Chapter 12
	21	Cash Flow Estimation and Risk Analysis (Cont'd)	Chapter 12
	23	Capital Structure Decisions: The Basics	Chapter 16
	28	Capital Structure Decisions: The Basics (Cont'd)	Chapter 16
	30	Distributions to Shareholders: Dividends and Repurchases	Chapter 18
January	4	Multinational Financial Management	Chapter 26
	6	Multinational Financial Management (Cont'd)	Chapter 26
	<b>18</b>	<b>Final Examination: 09:30 - 12:00</b> <b>Chps {1, 2, 3, 4, 5, 6, 7, 8} 40%,</b> <b>Chps {10, 11, 12, 16, 18, 26} 60%</b>	