

University of Haifa-Faculty of Management.

International MBA (209.4975)

Period 2: 22/12/17 – 16/2/18

Course Name: Financial Management

Lecturer Name:	Dr Ronny Manos
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Appointment Times:	After class (By personal arrangement)

Course Description:

Individuals and firms make financial decisions. For example, individuals often face decisions relating to saving money for future uses, or borrowing money for current consumption. When saving, one needs to determine the amount to invest, while when borrowing, one needs to determine the cost of borrowing and to compare alternatives. Corporations face similar financial decisions. For example, they need to decide in which income-generating assets to invest. They also need to finance these investments, either by borrowing, reinvesting profits, selling additional shares or combinations thereof. To carry out all the above tasks, individuals and corporate managers must understand the concepts and mathematics relating to rates of interest, the time value of money, discounting and valuation.

The course explores financial management from the viewpoint of individuals and corporate managers, providing broad financial knowledge which is crucial for both. There are three main themes which the course covers: first, it presents the time value of money concept; second it shows how to apply this concept in making investment decisions; and third it introduces students to basic financial securities, and applies the time value of money concept to corporate financing decisions.

The key aim is to equip participants with basic tools that are useful for making financial decisions as individuals or as corporate managers.

Course pre-requirements: none

Grading System:

Attendance and involvement (including coming prepared to class, having done the exercises/case studies)	20%
Exam (one hour, multiple choice)	50%
Assignment	30%

Course materials:

Textbook reading: Richard Brealey, Stewart Myers, and Franklin Allen (BMA), Principles of Corporate Finance, 12th Edition, McGraw Hill Higher Education (2016).

Other materials: Exercises, case studies, instructions for the assignment, list of articles, formula sheet, discount tables and example exam, are all included in the course pack on the portal of the course.

Course Outline and Schedule:*

#	date	Topic	BMA ¹	Exercises & Cases ²
1	22/12/17	Introduction to Corporate Finance	1	5, 8, 10
2	29/12/17	How to Calculate Present Value (part 1)	2	4, 5, 7
3	5/1/18	How to Calculate Present Value (part 2)	2	17, 20
		<u>Self-study:</u> Net Present Value and other Investment Criteria	5	1, 3, 6, 9
4	12/1/18	Making investment decisions with the NPV Sensitivity Analysis	6 10.2	Toys for Kids
5	19/1/18	An Overview of Corporate Financing Valuing Bonds The Many Different Kinds of Debt	14 3 24	Apricot Q1
6	26/1/18	The Value of Common Stocks	4	Apricot Q2
7	2/2/18	Risk and the Cost of Capital	9	Apricot Q3
8	9/2/18	Review		
	16/2/18	Exam 12:00-13:00		

* The schedule is subject to variation.

¹ Chapters in: Richard Brealey, Stewart Myers, and Franklin Allen (BMA), Principles of Corporate Finance, 12th Edition, McGraw Hill Higher Education, 2016.

² Recommended exercises (from edition 11 of the textbook) and case studies are included in the case-pack