

<b>Identification</b>	<b>Subject (code, title, credits)</b>	<b>FIN 310 Fundamentals of Financial Management 3KU/6ECTS</b>
	<b>Department</b>	Economics and Management
	<b>Program type</b>	Undergraduate
	<b>Term</b>	Fall, 2023
	<b>Instructor</b>	Rza Naghiyev
	<b>E-mail:</b>	<a href="mailto:rza.naghiyev@khazar.org">rza.naghiyev@khazar.org</a>
	<b>Classroom</b>	Thursday 301 NB, 18:30-21:00
	<b>Office hours</b>	
<b>Prerequisites</b>	<b>ACC 310</b> Financial Accounting	
<b>Language</b>	English	
<b>Compulsory/Elective</b>	Compulsory	
<b>Required textbooks and course materials</b>	<p><b>Main Textbooks:</b> Richard A. Brealey, Stewart C. Myers, Franklin Allen, “Principles of Corporate Finance”, 13th Edition McGraw-Hill Education, 2019.</p> <p><b>Additional book:</b> Ross, Westerfield &amp; Jordan, “Fundamentals of Corporate Finance”, 12th edition, McGraw-Hill Education, 2018.</p>	
<b>Course outline</b>	<p>This course mainly targets various types of valuation procedures and tools used in the evaluation and decision-making process in the business environment and financial management of corporations. Furthermore, both theoretical and practical concepts with regard to financial management will be covered throughout the course, while providing basic financial theory and practice. Moreover, common problems encountered by business decision-makers and the fundamental analytical skills to deal with various financial issues will be highlighted. Topical coverage will include fundamental concepts of financial management and corporate finance such as time value of money, cost of capital, financial evaluation methodologies, and other relevant theories.</p>	
<b>Course objectives</b>	<p>During the course, students will receive a comprehensive introduction to financial management, covering key topics like financial statement analysis, the time value of money, and decision-making with a focus on risk assessment and cost of capital. Net Present Value (NPV) is introduced for project analysis. Working capital management and valuing stocks and bonds will also be explored, which will enable students to be better equipped for future courses, such as Corporate Finance, Investment Management etc. By course completion, students will have a robust foundation in financial management, enabling them to rigorously analyze investment and financing projects and make sound judgments in personal and professional financial decision-making.</p>	
<b>Learning outcomes</b>	<p>Main learning outcomes of the course include:</p> <ul style="list-style-type: none"> <li>Analyzing financial statements - Evaluating and interpreting financial statements to assess a company's financial health and performance.</li> <li>Applying time value of money concepts - Utilizing time value of money principles to make informed investment decisions, considering the impact of time on the value of money.</li> <li>Assessing risk and cost of capital - Analyzing and managing financial risk and understanding the cost of capital to determine optimal funding strategies.</li> <li>Calculating and interpreting Net Present Value (NPV) - Proficiently computing NPV for various projects and investments and interpreting the results to assess their profitability.</li> <li>Conducting comprehensive project analysis - Evaluating the viability and feasibility of projects through rigorous analysis techniques.</li> </ul>	

	<ul style="list-style-type: none"> <li>Efficiently managing working capital - Implementing effective working capital management strategies to ensure smooth day-to-day operations within a company.</li> <li>Valuing common stocks - Applying various methods to value common stocks and make informed decisions in the stock market.</li> <li>Valuing bonds - Employing bond valuation techniques to assess the attractiveness of fixed-income securities within an investment portfolio.</li> <li>Making sound financial decisions - Equipping students with a comprehensive foundation for sound financial decision-making in both corporate and personal contexts.</li> </ul>		
<b>Policy</b>	<p><b>Activity &amp; Class Attendance evaluation criteria</b> Students are required to attend all classes to follow all lectures. Participation in class discussions plays the main role in assessing students' activity rates. Thus, the assessment process will be based on how active students are in the class discussions by answering the instructor's questions and initiating asking questions, which are relevant to the subject, and providing their views and insights on related matters.</p> <p><b>Quizzes</b> During the course, 2 quizzes will be held to evaluate the knowledge of students related to the covered topics. The main purpose of carrying out quizzes is to find out how the students understood the covered classes, provide students with an experience of solving practice questions and enforce them to study for both theoretical and numerical questions. It will also be enforcing factor in making sure that students keep themselves in track with regards to discussed topics.</p> <p><b>Group Practices</b> Students will be allocated in small groups to assess investment projects for a given company by applying various project valuation methods. The evaluation process of group assignments will be based on students' group work skills and their logical problem-solving approach while implementing various project valuation methods for the company.</p>		
<b>Teaching methods</b>	<b>Lecture</b>		✓
	<b>Group discussion</b>		✓
	<b>Case analysis</b>		✓
	<b>Practices</b>		✓
<b>Evaluation</b>	<b>Methods</b>	<b>Date/deadlines</b>	<b>Percentage (%)</b>
	<b>Class Attendance</b>		5
	<b>Activity</b>		5
	<b>Quizzes</b>	Week 5/14	10
	<b>Group Work (Assignment)</b>	During the semester	10
	<b>Midterm Exam</b>	Week 9	30
	<b>Final Exam</b>	To be announced	40
	<b>Total</b>		<b>100</b>
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### **Group Practices**

Students will be allocated in small groups to assess investment projects for a given company by applying various project valuation methods. The evaluation process of group assignments will be based on students' group work skills and their logical problem-solving approach while implementing various project valuation methods for the company.

### **Tentative schedule is subject to changes**

<b>Week</b>	<b>Date/Day (tentative)</b>	<b>Topics</b>	<b>Textbook/Assignments</b>
1		Introduction to Financial Management	Ch. 1 (Myers et al.)
2		Fundamentals of Financial Statement Analysis	Ch. 28 (Myers et al.)
3		Time Value of Money	Ch. 2 (Myers et al.)
4		Making Investment Decisions	Ch. 5 (Myers et al.)
5		Practice Session / <b>Quiz 1</b>	
6		Risk and Cost of Capital	Ch.9 (Myers et al.)
7		Net Present Value (NPV)	Ch. 6 (Myers et al.)
8		Case Study	
9		<b>Midterm Exam</b>	
10		Project Analysis	Ch. 10 (Myers et al.)
11		Working Capital Management	Ch. 30 (Myers et al.)
12		Valuing Common Stocks	Ch. 4 (Myers et al.)
13		Valuing Bonds	Ch.3 (Myers et al.)
14		Practice Session / <b>Quiz 2</b>	
15		Revision Lecture	
16		<b>Final Exam</b>	