



# ÇANKAYA UNIVERSITY

## Faculty of Economics and Administrative Sciences

### Course Definition Form

#### Part I. Basic Course Information

<b>Department Name</b>	INTERNATIONAL TRADE	<b>Dept. Numeric Code</b>	3 3
<b>Course Code</b>	I N T T 2 0 4	<b>Number of Weekly Lecture Hours</b>	3
		<b>Number of Weekly Lab/Tutorial Hours</b>	0
		<b>Number of Credit Hours</b>	3
<b>Course Web Site</b>	http:// xxx.cankaya.edu.tr	<b>ECTS Credit</b>	0 4

#### Course Name and Other Course Information

*This information will appear in the printed catalogs and on the web online catalog.*

<b>English Name</b>	PRINCIPLES OF FINANCE
<b>Turkish Name</b>	FİNANSIN İLKELERİ
<b>Mode of Delivery</b>	LECTURE
<b>Language of Instruction</b>	ENGLISH

#### Course Description

*Provide a brief overview of what is covered during the semester. This information will appear in the printed catalogs and on the web online catalog. Maximum 60 words.*

This course is designed to provide the students a basic grasp of business finance through focusing on the most preliminary topics that are most suited to the needs of "International Trade" students. For this purpose, this course starts with time value of money and provides a detailed examination of present/future value calculations, valuation of annuities, perpetuities, bonds and stocks including basic relationships. Throughout valuation, special attention is devoted to such topics as credit amortization and cost/return impacts of terms of purchase and sales. Then, cost of capital and project appraisal as well as risk-return analysis and portfolio management is discussed in detail.

<b>Prerequisites</b> (if any) <i>Give course codes and check all that are applicable.</i>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
	<input type="checkbox"/> Consent of the Instructor	<input type="checkbox"/> Senior Standing	<input type="checkbox"/> Give others, if any.	
<b>Co-requisites</b> (if any)	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
<b>Course Type</b> <i>Check all that are applicable</i>	<input type="checkbox"/> Must course for dept. <input type="checkbox"/> Must course for other dept.(s) <input type="checkbox"/> Elective course for dept. <input type="checkbox"/> Elective course for other dept.(s)			

**Part II. Detailed Course Information****Course Objectives***Maximum 100 words.*

The main objective of this course is to provide the students a comprehensive grasp of valuation, risk-return relationship and cost of capital. It is aimed to equip the students both with the theoretical background and the analytical ability required in building the basics of financial decision making. Additionally, it will be highly beneficiary in understanding the financial environment especially the financial markets and instruments.

**Learning Outcomes***Explain the learning outcomes of the course. Maximum 10 items.*

After successfully completing this course, the students will be able to:

- calculate the present values and future values
- explain the interest rate concept (simple and compound interest, effective annual rate and annual percentage rate, real and nominal interest and learn how to convert them
- analyze the impact of changes in terms of purchase and sales
- handle financial asset valuation such as annuities, perpetuities, bonds and stocks
- explain the effect of market interest rate on bond price
- calculate and explain the yield to maturity and rate of return of a bond as well as the effect of time to maturity on bond value
- discuss the stock valuation and the relationship between stock price and earnings per share
- calculate the net present value (NPV) of projects, make investment decisions with NPV and discuss other investment evaluation criteria
- understand the relationship between risk, return and firm value
- calculate the risk and return of financial assets and explain the Capital Asset Pricing Model (CAPM), Arbitrage Pricing Theory (APT) and Three Factor Model
- understand the concept of cost of capital and calculate the weighted average cost of capital of a company

**Textbook(s)***List the textbook(s), if any, and other related main course material.*

Author(s)	Title	Publisher	Publication Year	ISBN
BREALEY Richard R., MYERS Stewart C., and Franklin ALLEN	Principals of Corporate Finance	McGraw-Hill	2009	978-007-126326-9

**Reference Books***List, if any, other reference books to be used as supplementary material.*

Author(s)	Title	Publisher	Publication Year	ISBN
ROSS Stephen A., WESTERFIELD Randolph and Bradford D. JORDAN	Essentials of Corporate Finance 6 <sup>th</sup> ed.	McGraw-Hill	2007	9780071283403
FABOZZI Frank J. and Pamela Peterson DRAKE	Finance: Capital Markets, Financial Management, and Investment Management	John Wiley & Sons	2009	9780470486153

**Teaching Policy***Explain how you will organize the course (lectures, laboratories, tutorials, studio work, seminars, etc.)*

In conducting the course, lectures will be accompanied with exercise problems and case studies to provide the students a better practical expertise.

**Laboratory/Studio Work***Give the number of laboratory/studio hours required per week, if any, to do supervised laboratory/studio work and list the names of the laboratories/studios in which these sessions will be conducted.*

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**Computer Usage**

Briefly describe the computer usage and the hardware/software requirements for the course.

<b>Course Outline</b>	
<i>List the weekly topics to be covered.</i>	
Week	Topic(s)
1	Overview of the Firm and the Financial Manager
2	The Time Value of Money: Future Values and Compound Interest, Present Values, Multiple Cash Flows
3	The Time Value of Money: Perpetuities and Annuities
4	Inflation and the Time Value of Money and Effective Annual Interest Rates
5	Deposit Returns, Credit Costs and Amortization, Sales Credits
6	Cost/Return Analysis of the Impact of Changes in Terms of Purchase and Sales
7	Midterm Week
8	Bond Valuation, basic relationships and concepts
9	Stock Valuation, basic relationships and concepts
10	Cost of Capital
11	Cost of Capital and Project Appraisal
12	Risk and Capital Budgeting
13	Portfolio Management
14	Portfolio Management

**Grading Policy**

List the assessment tools and their percentages that may give an idea about their relative importance to the end-of-semester grade.

Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage	Assessment Tool	Quantity	Percentage
Midterm Exam	2	25						
Final Exam	1	40						
Class Participation	14	10						

**ECTS Workload**

List all the activities considered under the ECTS.

Activity	Quantity	Duration (hours)	Total Workload (hours)
Attending Lectures ( <i>weekly basis</i> )	14	2,5	35
Attending Labs/Recitations ( <i>weekly basis</i> )			
Preparation beforehand and finalizing of notes ( <i>weekly basis</i> )	14	1	14
Collection and selection of relevant material ( <i>once</i> )	1	3	3
Self study of relevant material ( <i>weekly basis</i> )	14	2	28
Homework assignments			
Preparation for Quizzes			
Preparation for Midterm Exams ( <i>including the duration of the exams</i> )	1	15	15
Preparation of Term Paper/Case Study Report ( <i>including oral presentation</i> )			
Preparation of Term Project/Field Study Report ( <i>including oral presentation</i> )			
Preparation for Final Exam ( <i>including the duration of the exam</i> )	1	15	15

TOTAL WORKLOAD / 25	110/25=4.4
<b>ECTS Credit</b>	<b>4</b>

**Program Qualifications vs. Learning Outcomes** Consider the program qualifications given below as determined in terms of learning outcomes and acquisition of capabilities for all the courses in the curriculum. Look at the learning outcomes of this course given above. Relate these two using the Likert Scale by marking with X in one of the five choices at the right.

No	Program Qualifications	Contribution				
		0	1	2	3	4
INT T-1	Be able to understand the relationships of several aspects of doing business globally within an interdisciplinary approach.				X	
INT T-2	Have necessary and sufficient knowledge as well as the analytical ability to evaluate his/her knowledge and information in his/her field.					X
INT T-3	Be able to adapt to rapidly changing global business environment and be open to new ideas and business practices.				X	
INT T-4	Have necessary skills required to implement his/her knowledge in real life situations and to develop an effective problem solving and decision making capabilities.					X
INT T-5	Have the sufficient technical knowledge and the ability to improve his/her professional qualifications.					X
INT T-6	Be able to understand and evaluate the problems in his/her field and to discuss and express his/her opinions clearly.				X	
INT T-7	Be able to understand the obstacles he/she faces in his/her field and to criticize them within an analytical point of view.			X		
INT T-8	Be able to propose possible solutions to problems faced within both national and international arena with an understanding of the importance of life-long learning and social responsibilities.			X		
INT T-9	Be able to use the theoretical and practical knowledge obtained in his/her field in analyzing and evaluating data.					X
INT T-10	Be able to learn the second foreign language, if taken, at least in the European Language Portfolio B1 General Level	X				
INT T-11	Be able to work both independently and as a team member to solve problems in his/her field.		X			
INT T-12	Develop effective communication skills.		X			

Scale for contribution to a qualification: 0-none, 1-little, 2-moderate, 3-considerable, 4-highest