



APPLIES TO ACADEMIC YEAR 2010/2011

## GRA 6025 Financial Management

### Programme

Core Course, Master in Professional Accountancy, Master of Science in Financial Economics, Master of Science in Innovation and Entrepreneurship, Master of Science in International Marketing and Management

### Responsible for the course

### Department

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### Introduction

#### Learning outcome

The finance discipline has over the last decades matured to the point where there exists a sound body of theory. In this introductory course, the theory of finance will be illustrated and applied to problems in corporate finance.

Learning to cope with routine problems is easy, for instance by developing a list of rules for dealing with such problems. However, full reliance on the list-of-rules approach is insufficient as problems that do not fit these rules will be encountered. A thorough understanding of financial theory will facilitate transcending the simple rules.

#### Prerequisites

Bachelor degree qualifying for admission to the MSc programme

#### Compulsory reading

##### Books:

Berk, Jonathan and Peter DeMarzo. 2009. Corporate finance. 2nd ed. Boston : Prentice Hall

##### Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

#### Recommended reading

##### Course outline

- Finance- An Introduction
- Accounting Statements and Cash Flows
- Value and Capital Budgeting
  - Net Present Value
  - Valuation of Bonds and Stocks
  - Alternative Investments Rules
  - Capital Budgeting
- Uncertainty
  - Capital Market Theory
  - Risk and return
  - The Capital Asset Pricing Model
- Risk, Return and Capital Budgeting
- Capital Structure and Dividend Policy
  - Overview of Capital Structure Theories
  - Dividend Policy

**Computer-based tools**

Students are recommended to use computer-based tools, such as spreadsheets and statistical software. Such tools, however, are not allowed at the examination. It's learning/homepage

**Learning process and workload**

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

The instruction consists primarily of presentations and discussions of the readings assigned to the topics listed above. Students are expected to have read the material before each class meeting.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

**Examination**

The course grade will be based on the following activities and weights:

20%: Class work (in the form of a mix of some/all of the following: hand in of case write ups, projects, and homework; case presentations and class participation; in class midterm and quizzes).

80%: 3 hour written final exam.

Both parts of the evaluation need to be passed in order to get a grade in the course.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

**Examination code(s)**

GRA60251 accounts for 100 % of the final grade in the course GRA6025.

**Examination support materials**

A bilingual dictionary, interest tables and BI-approved exam calculator.

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.

<http://www.bi.edu/studenthandbook/examaids>

**Re-sit examination**

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

**Additional information****Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.