



APPLIES TO ACADEMIC YEAR 2015/2016

## 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 Management, Master of Science in Strategic Marketing Management

### Responsible for the course

Bogdan Stacescu

### Department

Department of Financial Economics

### 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

All courses in the Masters programme will assume that students have fulfilled the admission requirements for the programme. In addition, courses in second, third and/or fourth semester can have specific prerequisites and will assume that students have followed normal study progression. For double degree and exchange students, please note that equivalent courses are accepted.

### Compulsory reading

#### Books:

Berk, Jonathan, Peter DeMarzo. 2014. Corporate finance. 3rd ed., global ed. Pearson

#### 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
- Introduction to valuation

### Computer-based tools

Not applicable

### 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% Two assignments

20% 2 hours written examination (mid-term)

60% 3 hours written examination

Form of assessment	Weight	Group size
Assignment	20%	Individual
Written examination 2 hours	20%	Individual
Written examination 3 hours	60%	Individual

Specific information regarding student assessment will be provided in class. This information may be relevant to requirements for term papers or other hand-ins, and/or where class participation can be one of several components of the overall assessment. This is a course with continuous assessment (several exam components) and one final exam code. Each exam component is graded using points on a scale from 0-100. The final grade for the course is based on the aggregated mark of the course components. Each component is weighted as detailed in the course description. Students who fail to participate in one/some/all exam components will get a lower grade or may fail the course. You will find detailed information about the points system and the mapping scale in the student portal @bi.

### Examination code(s)

GRA 60251 continuous assessment accounts for 100 % of the final grade in the course GRA6025.

### Examination support materials

BI approved exam calculator

Bilingual dictionary

Interest tables

Permitted examination support materials for written examinations are detailed under examination information in the student portal @bi. The section on support materials and the use of calculators and dictionaries should be paid special attention to.

### 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. All retaken examinations will incur an additional fee. Please note that you need to retake the latest version of the course with updated course literature and assessment. Please make sure that you have familiarised yourself with the latest course description.

### 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.

This course is not available for students in MSc in Business.