Instructor: Yiğit Atılgan  
Office: SOM 1002  
Phone: 0216 483 9663  
E-mail: yatilgan@sabanciuniv.edu  
Web: SuCourse  
Office Hours: By appointment. It would be best if you take an appointment one or two days before you want to meet me, but there is also an open door policy if you don’t have an appointment.

<table>
<thead>
<tr>
<th>Type</th>
<th>Time</th>
<th>Days</th>
<th>Where</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lecture</td>
<td>9:00 AM - 11:30 AM</td>
<td>Thursday</td>
<td>SOM L018</td>
</tr>
<tr>
<td>Recitation</td>
<td>16:40 PM - 17:30 PM</td>
<td>Thursday</td>
<td>SOM L018</td>
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Course Objectives:

This course develops an understanding of the theoretical and practical issues relating to financial management. The main objectives of the course are to introduce the students to the financial markets and financial instruments, to expose the students to the quantitative tools and methods of modern finance, and to help students gain competence in using these tools to make sound financial decisions. Topics covered in the course include: the link between accounting and finance, the time value of money, bond and stock valuation, investment decision criteria and capital budgeting, project analysis, risk-return relationship, cost of capital, and an overview of corporate financing and capital structure.

Learning Outcomes:

Upon successful completion of the course, students should be able to:

1. Understand different types of financial markets and institutions,  
2. Describe the linkages between accounting and finance,  
3. Understand the concept of time value of money,  
4. Value different types of securities such as stocks and bonds,  
5. Evaluate projects using various decision criteria,  
6. Explain the concepts of risk, return and cost of capital.

Course Material:

Course Web:

Lecture notes, assignments and announcements will be posted on the SuCourse website. After the assignments are due, the solutions to the assignments will also be posted so that you can use them to prepare for the exams.

Instructional Design:

In-class lectures introduce students with the foundations of the main financial concepts. Students will have the opportunity to apply the knowledge they acquire in the classes by completing the assignments and class projects. The lectures will also include problem solving sections that will help review class material and enhance the practical aspect of the course.

Assignments

There will be weekly homework assignments. You are required to turn in these assignments by handwriting them within one week after the homeworks are assigned. I will post the solutions to every assignment on SuCourse. There will not be any extra homework assignments for extra credit.

Recitations

We have recitation sessions that are scheduled between 16:40 PM and 17:30 PM on Thursdays at SOM L018. We will generally not meet for the recitations; however, we may seldom use them when the class material cannot be covered during the normal lecture hours or there is sufficient student demand.

Grading:

Assignments : 25%   Midterm Exam : 30%   Final Exam : 45%

Requirements:

Exams

The midterm is going to be in-class and its date is available below in the course outline. The final exam is cumulative. The exams are partly short answers and partly problem solving. In numerical problems, you will be required to show all your work and you will get partial credit for this. There will be multiple versions of the exam each time. If you are late for an exam, you will still have time only until the end of the regular exam time. You will be allowed to bring a formula sheet which is two-sides of a single sheet of paper. No other supporting material will be allowed.

Lectures & Attendance

Students are expected to attend all lectures on time and participate in discussions. You are also expected to stay for the whole lecture. If you have to leave early, let me know before the class starts. Laptops and cell phones are not allowed in the classroom. Missed lectures are at students’ own responsibility. There will be attendance during the classes, but attendance is not going to be a part of your grade as a percentage. You are allowed to miss up to 2 lectures during the semester. If you miss more than 2 lectures, this will hurt your overall grade.
Make-up Exams

There are no make-up exams unless a situation arises which was not foreseeable and which was not under the control of the student. Requests for make-ups must be made directly to me as soon as possible and must be accompanied by relevant documentation.

Midterm policy: If your excuse is accepted, I will provide you a make-up midterm within one week of the original midterm date.

Final exam policy: If your excuse is accepted, you will be required to take a make-up exam two to three days after the final exam date.

Calculator

Students will need a scientific or financial calculator throughout the course. Many of the problems encountered in this course require arithmetic operations that are difficult or even impossible to be solved by hand or with a non-scientific or non-financial calculator. A scientific or financial calculator is useful to solve these problems efficiently, especially in the limited time frame of an exam. Make sure that you know how to use your calculator before you take the exams.

Objections to Grading

Students should make their objections and communicate them to me no later than a week after receiving their graded work. This document should clearly explain the basis of objection.

Special needs students

Any student who, because of a disability, requires some special arrangements in order to meet course requirements should contact me as soon as possible to make the necessary accommodations.

Academic Honesty:

Learning is enhanced through cooperation and as such you are encouraged to work in groups, ask for and give help freely in all appropriate settings. At the same time, as a matter of personal integrity, you should only represent your own work as yours. Any work that is submitted to be evaluated in this class should be an original piece of writing, presenting your ideas in your own words. Everything you borrow from books, articles, or web sites (including those in the syllabus) should be properly cited. Although you are encouraged to discuss your ideas with others (including your friends in the class), it is important that you do not share your writing (slides, MS Excel files, reports, etc.) with anyone. Using ideas, text and other intellectual property developed by someone else while claiming it is your original work is plagiarism. Copying from others or providing answers or information, written or oral, to others is cheating. Unauthorized help from another person or having someone else write one’s paper or assignment is collusion. Cheating, plagiarism and collusion are serious offenses that could result in a failing grade and disciplinary action. Please pay utmost attention to avoid such accusations.
Course Schedule:

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<th>Lecture 1</th>
<th>Date: September 18\textsuperscript{th}</th>
<th>Topic: Goals of the Corporation // Financial Markets and Institutions</th>
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<tr>
<td>Lecture 2</td>
<td>Date: September 25\textsuperscript{th}</td>
<td>Topic: Accounting and Finance</td>
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<td>Lecture 3</td>
<td>Date: October 2\textsuperscript{nd}</td>
<td>Topic: The Time Value of Money</td>
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<td>Lecture 4</td>
<td>Date: October 16\textsuperscript{th}</td>
<td>Topic: CANCELLED</td>
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<tr>
<td>Lecture 5</td>
<td>Date: October 23\textsuperscript{rd}</td>
<td>Topic: The Time Value of Money (continued)</td>
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<tr>
<td>Lecture 6</td>
<td>Date: October 30\textsuperscript{th}</td>
<td>Topic: Valuing Bonds</td>
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<tr>
<td>Lecture 7</td>
<td>Date: November 6\textsuperscript{th}</td>
<td>Topic: Valuing Stocks</td>
</tr>
<tr>
<td>Lecture 8</td>
<td>Date: November 13\textsuperscript{rd}</td>
<td>Topic: MIDTERM</td>
</tr>
<tr>
<td>Lecture 9</td>
<td>Date: November 20\textsuperscript{th}</td>
<td>Topic: Net Present Value and Other Investment Criteria</td>
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<tr>
<td>Lecture 10</td>
<td>Date: November 27\textsuperscript{th}</td>
<td>Topic: Using Discounted Cash Flow Analysis To Make Decisions</td>
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<tr>
<td>Lecture 11</td>
<td>Date: December 4\textsuperscript{th}</td>
<td>Topic: Project Analysis</td>
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<tr>
<td>Lecture 12</td>
<td>Date: December 11\textsuperscript{th}</td>
<td>Topic: Risk, Return and the Opportunity Cost of Capital</td>
</tr>
<tr>
<td>Lecture 13</td>
<td>Date: December 18\textsuperscript{th}</td>
<td>Topic: Risk, Return and Capital Budgeting</td>
</tr>
<tr>
<td>Lecture 14</td>
<td>Date: December 25\textsuperscript{th}</td>
<td>Topic: Weighted Average Cost of Capital and Company Valuation</td>
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