

## COURSE OUTLINE [FINANCIAL MANAGEMENT]

### 1. GENERAL

<b>SCHOOL</b>	Business Administration		
<b>ACADEMIC UNIT</b>	Business Administration		
<b>LEVEL OF STUDIES</b>	Postgraduate		
<b>COURSE CODE</b>	<b>DEO203</b>	<b>SEMESTER</b>	<b>B</b>
<b>COURSE TITLE</b>	<b>FINANCIAL MANAGEMENT</b>		
<b>INDEPENDENT TEACHING ACTIVITIES</b>	<b>WEEKLY TEACHING HOURS</b>	<b>CREDITS</b>	
Lectures, Essay, Presentation	3	6	
<b>COURSE TYPE</b>	General background		
<b>PREREQUISITE COURSES:</b>	Not required		
<b>LANGUAGE OF INSTRUCTION and EXAMINATIONS:</b>	Greek		
<b>IS THE COURSE OFFERED TO ERASMUS STUDENTS</b>	No		
<b>COURSE WEBSITE (URL)</b>	<a href="https://openeclass.uom.gr/courses/INTER1104/">https://openeclass.uom.gr/courses/INTER1104/</a>		

### 2. LEARNING OUTCOMES

<b>Learning outcomes</b>
Upon completion of the course, it is expected that students, combining theory and practical applications, will know what job CFOs do and why, but also how they should do it, in order to magnify the value of their business. The theory of Financial Management is presented through a number of examples and exercises, as well as a significant number of case studies Upon completion of this course, students will be able to: <ul style="list-style-type: none"><li>• Understand the basic methods of determining the present and future value of money.</li><li>• Apply the basic methods of analyzing investment decisions.</li><li>• Analyze the concepts of risk and return as well as portfolio theory.</li><li>• Apply methods of analyzing financial statements and forecasting financing needs.</li><li>• Understand the basic concepts of managing a company's assets.</li></ul>
<b>General Competences</b>
The course aims to develop the following general skills: <ul style="list-style-type: none"><li>• Search for, analysis and synthesis of data and information, with the use of the necessary technology</li><li>• Adapting to new situations</li><li>• Decision-making</li><li>• Working independently</li><li>• Team work</li><li>• Working in an interdisciplinary environment</li><li>• Production of free, creative and inductive thinking</li></ul>

### 3. SYLLABUS

The course focuses on the evaluation of investment projects and the analysis of financial statements of companies. The ultimate goal of the course is to provide the necessary information for the process of making financial decisions regarding capital raising as well as the selection of appropriate investments for the development and maximization of business value. Companies should seek the best investment options, but also have the right tools to make rational investment decisions. Investment evaluation methods are a valuable tool in the continuous effort of companies to create value, since they determine the effectiveness of an investment and allow the evaluation of investments. Students will be taught the tools and techniques of financial statement analysis. Starting from the analysis of the current economic situation, with the formation of the expected cash flows, the next stage is the formation of projections regarding the value of business units. The last module of the course deals with the evaluation of investments under risk conditions, with the methods of break-even analysis, scenario analysis and decision trees.

Lecture Number	Lecture Title	Content
1 <sup>or</sup>	Business Objectives and Governance	Investment and Business Financing. The role of the Financial Manager and the Cost of Capital. Management relationship with Shareholders. Problems of Representation and Corporate Governance.
2	The Time Value of Money: Future and Present Value	Calculation of future and present value. Calculation of the present value of an investment/ Net present value (NPV)/ Risk and present value/ present value and rates of return/ Calculation of present value when there are multiple cash flows/ The cost of capital
3	The Time Value of Money: Present Value in Perpetuity and Annuities	Calculation of present value in perpetuity/ Calculation of Annual Payments/ Calculation of interest/ Continuous compound interest
4	Investment Decision Analysis: Net Present Value and other investment criteria(1/3)	Net Present Value/Repayment Period/Discounted Repayment Period/Internal Rate of Return (IRR)/ Multiple IRRs/ Mutually Excluded Investments/ Choice of capital investments when resources are limited.
4	Investment Decision Analysis: Net Present Value and other investment criteria(2/3)	Application of the NPV Rule/ Rule 1: Use only cash flows / Rule 2: Estimate cash flows on a cumulative basis//Project Evaluation Example/Separation between investment selection and financing/ Working capital investments/ Depreciation/Taxes/Project Analysis/ NPV calculation in different currencies
6	Investment Decision Analysis: Net Present Value and other investment criteria(3/3)	Investment Timing/ Equivalent Annual Cash Flows/ Equivalent Annual Cash Flow and Inflation/ Equivalent Annual Cash Flow and technological change/ When should a company's equipment be replaced? .
7	Risk and Return: Introduction	Portfolio Risk Measurement/Variance and Standard Deviation / Volatility Measurement / How Diversification Reduces Risk/ Portfolio Risk Calculation/ How individual securities are affected by portfolio risk/ Market Risk and Beta factors.
8	Risk and Return: Portfolio Theory and the Capital Asset Valuation Model (CAPM))	Markowitz's Portfolio Theory/ Combination of stocks in portfolios/The relationship between risk and return/ Capital Asset Valuation Model (CAPM)// /Some alternative theories/ Arbitrage Pricing Theory (APT)/ Comparison of CAPM and APT
9	Financial Statement Analysis	Financial statements/ Balance sheet/ Profit and loss statement/ Performance measurement/ Economic value added (EVA)/ Interest rates/ /Analysis of asset performance: Du Pont method/Leverage measurement/Leverage and return on equity/Measurement of liquidity/ Interpretation of financial indicators.
10	Forecasting of Financing Needs: Financial Planning	Relationship between short-term and long-term financing/ Monitoring changes in cash/ Cash budgeting-Inflows-Outflows/ Short-term financing plans/ Long-term financing plans
11	Forecasting of financing needs: Working capital management	Credit management/ Compensation policy/ / International cash management/ Payments for banking services/ Marketable securities/ Calculation of return on investments in money markets/ International money markets/ Sources of short-term borrowing/ Bank loans
12	Management of Company Assets: Capital Budgeting and Project Analysis	The Capital Investment Process/Project Approval - and the Problem of Bias Forecasting /Sensitivity Analysis/Scenario Analysis/Break-Even Analysis /Leverage and Break-Even Point/Monte Carlo Simulation/Decision Trees

#### 4. TEACHING and LEARNING METHODS - EVALUATION

<b>DELIVERY</b>	Face to face and distance learning	
<b>USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY</b>	PowerPoint presentations and e-class platform	
<b>TEACHING METHODS</b>	<b>Activity</b>	<b>Semester workload</b>
	Lectures	39 ώρες
	Interactive teaching	20 ώρες
	Essay writing	40 ώρες
	Paper presentation	10 ώρες
	Study	51 ώρες
	<b>Course total</b>	<b>160</b>
<b>STUDENT PERFORMANCE EVALUATION</b>	<p><u>Individual Assignments: 20% of the final grade</u></p> <p>As part of the course, students will be given a series of exercises that they will have to solve and deliver to the instructor in specified time frames. These exercises will be an application of the theory that students will have been taught during the course. The aim is for students to be able to calculate specific financial figures that will allow them to evaluate a potential investment.</p> <p><u>Final exam: 80% of the final grade</u></p> <p>The final exam will include exercises. The exam assesses students' understanding and ability to use the basic methods of financial management in order to make sound investment decisions.</p>	

#### 5. ATTACHED BIBLIOGRAPHY

##### - *Suggested bibliography:*

1. Ross A. Stephen, Westerfield W. Randolph, Jaffe Jeffrey. Corporate Finance. Broken Hill Publishers Ltd, 2017.
2. Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P. (2012). *Principles of corporate finance*. Tata McGraw-Hill Education.
3. Vassiliou, D. Iriotis, N. (2009) Investment Analysis and Portfolio Management. Rosili Publications.
4. Papadamou Stefanos, Portfolio Management: a Modern Approach, Gutenberg 2009.
5. Νούλας Α. (2016) Αγορές Χρήματος και Κεφαλαίου. Εκδόσεις Ανικούλα.
6. Elton, E. J., Gruber, M. J., Brown, S. J., & Goetzmann, W. N. (2009). Modern portfolio theory and investment analysis. John Wiley & Sons.
7. Haugen, R. A., & Haugen, R. A. (2001). Modern investment theory (Vol. 5). Upper Saddle River, NJ: Prentice Hall.
8. Reilly, F. K., & Brown, K. C. (2011). Investment analysis and portfolio management. Cengage Learning.

##### -- *Related academic journals:*

- Journal of Banking and Finance
- Journal of Finance
- Journal of Financial Management Analysis
- Journal of Applied Financial Economics
- Managerial Finance