

Course Title	<b>Financial Management for Innovative Firms</b>				
Course Code	<b>MBE5204</b>				
Course Type	Mandatory				
Level	Graduate				
Year / Semester of Study	A Semester				
Instructor	Assoc. Professor Spiros Martzoukos				
ECTS	3	Lectures / Week	3	Labs / Week	
Goals	The goals are to understand the basic theories of financial management and be able to apply them to real life situations. Students are assumed to have basic knowledge of accounting. Also, basic computational skills are required compatible with spreadsheet programs.				
Learning Outcomes	<ol style="list-style-type: none"> <li>1. Understand time-value-of-money calculations; analyze loans; evaluate different financing alternatives; understand agency conflicts</li> <li>2. Apply different investment selection theories to real life situations; Apply different theories in evaluating risks and returns of projects</li> <li>3. Understand interest rates and the calculation of spot and forward rates; understand bond valuation; understand different types of bonds</li> <li>4. Understand markets for derivatives, i.e. options, SWAPS, warrants and forwards; learn to calculate the value of options; understand the principles of international financial risk management.</li> </ol>				
Prerequisites		Corequisites			
Course Content	<p>The course learning objectives are to acquaint students with the theory and practice of financial management of industrial and other companies.</p> <p>Material covered includes:</p> <p>Time value of money, compounding and discounting</p> <p>Loan analysis</p> <p>Net Present Value techniques</p> <p>Investment Timing issues, selection of mutually exclusive investments, capital rationing.</p> <p>Sensitivity and Break-Even Analysis, Decision Tree Analysis.</p> <p>Interest Rates, Bond Valuation, Forward Rates and Futures, Swaps.</p> <p>Options and Valuation of Options.</p> <p>The Use of Options for Valuation of Investments.</p> <p>Principles of International Financial Risk Management.</p>				
Method of Instruction	Class instruction (lectures)				
Bibliography	Ross, Westerfield and Jaffe. Corporate Finance (European Edition). McGraw-Hill, 2019.				
Evaluation	Exam 60% Class participation 10% Assignments 30%				

## **COURSE REQUIREMENTS**

### **Readings:**

#### Class notes

Special Topics in Finance. Martzoukos (will be given partly as part of class notes)

Readings in Financing: The Revolution in Corporate Finance (selections), Stern and Chew (eds) Wiley 4<sup>th</sup> edition.

Readings in Venture Capital (selections) Gompers and Lerner, MIT Press)

Bond Covenants and Creditor Protection. Branton (Georgetown U. Law Center).

Martzoukos and Trigeorgis "Capital Budgeting under Uncertainty - Real Options" under contract for Cambridge University Press (partly, as class notes)

Real R&D Options with Endogenous and Exogenous Learning. In Dean Paxson (ed.) Real R&D Options, Butterworth-Heinemann, Oxford, 111-129, 2003.

Readings in Ethics in Finance (Boatright, Blackwell)

Other readings..

### **Optional books:**

Brealey, Myers and Allen. Principles of Corporate Finance. McGraw-Hill, 2019.

### **Assignments:**

A project/review on issues of financing with special emphasis on financing of Innovative firms (venture capital, etc).

The aforementioned course ILOs are linked with the AFN MSc Program's ILOs, which are the following:

Program ILOs:

1. Communication skills (oral and written)
2. Analytical skills
3. Critical thinking
4. Teamwork skills
5. Entrepreneurial skills
6. Information technology
7. Application of knowledge

Course ILOs	MBE							
	ILO_1	ILO_2	ILO_3	ILO_4	ILO_5	ILO_6	ILO_7	
1	X	X	X	X	X	X	X	
2.		X	X		X		X	
3.		X	X			X	X	
4.		X	X			X	X	

The ILOs of this course and how they are achieved through the assessment methods are given below:

Course ILOs	Assessment Method 1	Assessment Method 2	Assessment Method 3	
1	X	X	X	
2	X		X	
3	X	X	X	
4	X		X	
Method 1 = exam				
method 2 = class assignment				
method 3 = class interaction				

