

G-1 Financial Management

Academic Department	Prof. Dr. Klaus Schäfer BWL I: Chair of Finance and Banking	
Learning Outcomes	In this course the students get an introduction into the most important theories of finance. The lecture is accompanied by a tutorial featuring brief examples and additional exercises. Students will be able to analyze and apply theoretical models of finance. Furthermore they can describe selected parts of the German system of corporate finance.	
Course Outline	<p>Main content areas (non-exhaustive and subject to changes without prior notice):</p> <ul style="list-style-type: none"> - Theory of Finance in the Case of Frictionless Markets (Fisher-Separation, Shareholder-Value) - Modigliani-Miller-Theorem - Introduction to Agency Theory - Spot and Forward Rates - Return and Risk - Portfolio Selection and Tobin-Separation - Derivative Markets and Derivative Instruments - The Basic Idea of Option Pricing - Financial Markets and Corporate Finance in Germany (The Banking System, Initial Public Offering, Venture Capital and Private Equity) 	
Teaching Mode	Lectures (2 hpw), tutorials (2 hpw). Both the lectures and tutorials are interactive. In-class and take-home case studies are used to highlight theoretical and practical problems. Independent study and reading is necessary. Literature is specified at the beginning of the course.	
Literature	<p>Brealey, Richard A. / Myers, Stewart C. / Allen, Franklin (2008): Principles of Corporate Finance, 9th ed., New York et al.</p> <p>Copeland, Thomas E. / Weston, J. Fred / Shastri, Kuldeep (2005): Financial Theory and Corporate Policy, 4. Auflage, Boston, Mass. et al.</p> <p>Grinblatt, Mark / Titman, Sheridan (2002): Financial Markets and Corporate Policy, 2. Auflage, Boston, Mass. et al.</p>	
Recommended Prior Knowledge	Only basic knowledge in financial instruments, the net present value rule and the internal rate of return is presupposed.	
Prerequisites	None. Please look out for announcements on the BWL I website.	
Assessment	60 minute written exam at the end of the course. Participating in all the course sessions, preparing case studies as a home work, discussing case studies actively in the plenary sessions.	
Workload	Attendance lectures	30 hrs
	Attendance tutorials	30 hrs
	Independent study (incl. preparation and reading for case studies, tests and lectures)	90 hrs
	sum:	150 hrs
ECTS-credits	5 credits.	
Time Span	1 semester (lecture 2 hpw, tutorial 2 hpw)	
Frequency of course	Every second semester (currently winter semester)	