

Subject				
Finance				
ECTS code	Semester	Faculty: Finance		
	2	Major: Finance and Accounting		
		Corporate Finance and Accounting		
Faculty:				
Lecture: Prof. Józefa Gniewek, Katarzyna Mikołajczyk Ph.D.				
Classes: Barbara Grabińska M.A., Joanna Niżnik Ph.D.				
System of studies:				
full time, first degree				
Subject status	Pass requirement	Number of contact hours		ECTS points
		Lectures	Classes	
E2 (core course)	written exam	15	30	6
Teaching language				
English				
Subject provisions and objectives (including the expected can-do of students on completion of the course)				
<p>This is an introductory course, offering a balanced approach to the general principles of finance and foundation for the future studies. It covers all the subfields of finance: financial markets and institutions, financial investments and corporate finance. The classes are focused on the practical aspects of financial economics and links between theory and practice (the use of case studies and assignments). Upon completion of the course students should be able to understand the key financial concepts and the role and importance of financial markets and institutions, apply basic valuation methods, describe financial instruments and understand the principles of risk management.</p> <p>Prerequisites: basic prior knowledge in mathematics and statistics is required for applying securities valuation and financial theories on real world data.</p>				
Teaching curriculum ( in case of prescribed subjects, compliance with the standards, maximum 15 topics)				
<ol style="list-style-type: none"><li>1. General introduction: principles of finance</li><li>2. Financial markets and institutions</li><li>3. Regulations and competition in the financial sector</li><li>4. Allocating resources over time</li><li>5. Investment projects</li><li>6. Principles of market valuation</li><li>7. Principles of risk management</li><li>8. Portfolio opportunities</li><li>9. Financial structure of the firm</li></ol>				
Class topics (maximum 15 topics)				

1. Financial markets: US vs. Europe
2. Global financial centres
3. Financial intermediaries: case studies
4. Household investment decisions
5. Time value of money
6. Investment project assessment
7. Bond and stock valuation
8. Risk and return
9. Financial futures and other derivative products
10. Option valuation
11. Risk management: case studies
12. Cost of capital
13. Firm's financial structure – financial leverage
14. Lessons from the global financial crisis

### **Introductory topics**

mathematics, statistics

### **Teaching methods**

lecture, assignments, case-studies

### **Basic literature and other sources**

TEXTBOOKs:

1. Z.Bodie, R.Merton, D.Cleeton: *Financial Economics*: International Edition, 2/E, Pearson Higher Education, 2009.
2. S.Valdez, P.Molyneux, *An Introduction to Global Financial Markets*, 6/E, Palgrave Macmillan 2010.

Other sources:

articles from financial magazines (i.e. *The Economist*, *Financial Times*)  
 reports published by IMF, ECB, NBP, OECD (available on-line)  
 case studies, assignments

### **Pass requirements for signature/examination**

Classes: Participation and active contribution during the classes, mid-term and final assignment

Final examination (written)

### **Examples of questions for tests and examinations**

How to build the optimal investor's portfolio?  
 American and European financial markets – compare  
 What is the financial leverage? (calculate)  
 Why and when NPV and IRR may be inconsistent?  
 Risk management institutions  
 Compare bank with other financial intermediaries