



**UNIVERSITY OF PIRAEUS  
DEPARTMENT OF ECONOMICS  
M.Sc. IN ECONOMIC AND BUSINESS STRATEGY**

**Management of Financial Resources**

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**COURSE OBJECTIVES:**

The course aims at providing a sound understanding and appreciation of the principles of corporate finance. The course describes both the theory and practice of financial decision making by corporations, and shows how financial theory can be used to address practical problems and illuminate institutional aspects of the financial world. The course will emphasize the valuation of financial assets in a risk-return framework, and will help you understand how capital markets operate. Specific topics to be covered include the concept of the time value of money, net present value (NPV) and its application to capital budgeting investments, portfolio theory and the CAPM, financial markets, derivatives and applications, and financial policy.

**MODE OF INSTRUCTION:**

The course will use a mixture of lectures and text reading assignments, supplemented with solution of problems, case analyses and presentations (both written and oral) to better appreciate the application of theoretical concepts and tools to various real-world financial situations: an oral group presentation and a written report on an assigned case are expected. Selected chapter problems for practicing the concepts will be assigned for homework to provide regular progress feedback.

## **COURSE MATERIALS:**

### Required

Brigham F. Eugene, Ehrhardt C. Michael and Roland Fox (BE&F) (2019) Χρηματοοικονομική Διοίκηση-Από τη Θεωρία στην Πράξη, ISBN: 9789925575442, Εκδότης, Broken Hill Publishers Ltd.

Brealey R., S Myers, F Allen, (BMA) (2016) Αρχές Χρηματοοικονομικής των Επιχειρήσεων, ελληνική μετάφραση του Principles of Corporate Finance, Εκδότης UTOPIA, ISBN13 9786188129818

### Bibliography

1. F. Fabozzi and F Modigliani (1996): Capital Markets. 2<sup>nd</sup> edition, Prentice Hall.
2. M. Levi (1996): International Finance: The Markets and Financial Management of Multinational Business', 3<sup>rd</sup> edition, McGraw Hill.

### Articles

1. Black F and M Scholes, The pricing of options and corporate liabilities, Journal of Political Economy, 81, 637-654, May-June 1973.
2. Bollerslev, T. R. Y. Chou, and K Kroner, ARCH modeling in finance, Journal of Econometrics, 52, 1992, 5-59.
3. Fama, E F, Forward and Spot exchange rates, Journal of Monetary Economics, 14, 1984, 319-338.
4. Fama, E F and K R French, The cross-section of expected stock returns, Journal of Finance, 47, June 1992, 427-465.
5. Kanas, A, Is economic exposure asymmetric between long-run depreciations and appreciations? Testing using cointegration analysis, Journal of Multinational Financial Management, 1997, 7, 27-42.
6. Yallop, J.M, 1991, Hedging average rate currency options, Discussion Paper, Morgan Grenfeld & Co. Limited.
7. Levi, M D. and P Sercu, Erroneous and valid reasons for hedging foreign exchange exposure, Journal of Multinational Financial Management, 1, 1997, 25-37.

**COURSE OUTLINE**

<u>Week</u>	<u>Reading (BE&amp;F)</u>	<u>Topic</u>
1	Chapters 1, 4	Central concepts in Finance and Financial Management-The Time Value of Money
2	Chapter 5	Applications on Time Value of Money, Bonds and Bonds Management <b>Applications and video discussion</b>
3	Chapter 8	Valuation of Shares and Companies
4	Chapter 8	Applications on Valuation of shares <b>Case study</b>
5	Chapter 10	Project Cost of Capital-Applications
➤ 6	Chapter 11	Capital Budgeting: Evaluation of Cash Flows- <b>Case Study</b>

	<u>Reading (BMA)</u>	<u>Reading (BE&amp;F)</u>	
7	Chapter 7	Ch 6	Equity portfolio analysis
8	Chapter 7, 8	Ch 6	Optimum portfolio selection. Applications.
9	Chapter 8	Ch 6	Pricing, beta, CAPM, Mutual Funds. Applications.
10	Chapter 8	Ch 6	Equity financial data analysis Case study
11	Chapter 20	Ch 9	Derivatives and Risk Management Principles
12	Chapter 27	Ch 21	Currency markets
13	FINAL EXAM		

**COURSE EVALUATION:**

Final exam.