

## **Undergraduate Finance Course Descriptions**

### **MGT 3062 Financial Management**

**Fall, Spring, Summer**

The objective of this course is to introduce the student to the basic principles of Financial Management. These principles include financial statement analysis, time value of money, bond valuation, stock valuation, the relationship between risk and return, capital budgeting and investment decision, short term and long term financing decisions, financial planning, and options. This course lays the foundation for more advanced investment and corporate finance courses. The ethical and global issues will be addressed wherever appropriate throughout the course.

### **MGT 3075 Security Valuation**

**Fall and Spring**

This course teaches students how to use financial and accounting information to value firms. By the end of this course, you will be able to implement the three major approaches to security valuation. These approaches are discounted cash flow valuation, relative valuation, and real options. In addition, you will be able to identify the benefits and drawbacks of each model and the situations where each model is likely to work best. This course will present little in the way of new material. The emphasis will be on applying the material learned in MGT 3062. Virtually all of the problems we consider will be based on real-world situations.

### **MGT 3076 Investments**

**Fall and Spring**

The course is divided into three sections. The first begins with an overview of the institutional setting, including an introduction to the process of investment planning for both short- and long-term needs; a description of the essential characteristics of various investment vehicles; the organization and operation of the securities markets; a critical survey of the more important sources of investment information (with emphasis on those available in the Georgia Tech Library as well as on the Internet); an examination of the concepts of return and risk, the ways in which they can be measured, and their significance in terms of investor objectives; and closes with an introduction to the principles of optimal portfolio formation and administration.

The second section is devoted in its entirety to an analysis of the major types of securities available to investors. It begins with an examination of common stock, moves to a consideration of fixed return securities, and concludes with a look at preferred stock and convertible securities. The principal emphasis throughout is on fundamental security analysis with its stress on principles and techniques of security valuation, however the student is also introduced to the nature and essentials of technical security analysis. The concept of efficient markets is also examined in this section.

Three specialized topics are included in the final section of the course. They consist of a study of techniques designed to monitor the performance of a portfolio, an examination of mutual funds and the role they can play in an investment program, and finally an introduction to options, including rights, warrants, puts and calls. This later topic is intended to serve as an introduction to the elective course in Derivative Securities

(MGT 3084) which those students particularly interested in this subject may choose to take.

**MGT 3078 Finance and Investments**

**Fall and Spring**

The course is divided into two sections. The first, consisting of five weeks, is devoted to a study of the principles of Financial Management. Topics to be covered include the basic forms of business organization, the significance of interest rates in financial decision-making, the time value of money, and the nature and interpretation of financial statements, with emphasis on ratio analysis. These introductory topics are followed by a study of capital budgeting methodology, including the nature and role of the firm's cost of capital, and the composition and significance of its overall capital structure. Corporate dividend policy is also examined here. The final section of this part of the course covers the topics of cash budgeting and short-term financial management.

**MGT 3079 Management of Financial Institutions**

**Fall and Spring**

The objective of this course is to introduce the students to the role of bank and non-bank financial intermediaries and the management of their operations. The course will provide an introduction to the various kinds of financial institutions, discuss their operations and highlight their differences from other forms of corporations. The main focus of the course is to discuss the various risks faced by financial institutions and a detailed analysis of the various tools and instruments used to manage these risks. Special emphasis will be placed on the valuation of various fixed income securities which play a major role in the operation of the financial intermediaries. The course is structured into three parts: (a) introduction of financial institutions, (b) measurement of the various risks faced by these institutions, and (c) management and hedging of these risks. Areas of asset securitization, off-balance-sheet financial activities, and international financing and operations will also be covered.

**MGT 3084 Derivative Securities**

**Spring**

This course covers options, forward contracts, future contracts, and swaps. By the end of this course you will have a good knowledge of how these contracts work, how they are used, and how they are priced.

**MGT 4066 Corporate Restructuring**

**Fall**

This interdisciplinary course examines the finance, economics, law, and business strategies that underlie major corporate restructuring transactions. These transactions include: mergers, acquisitions, tender offers, leveraged buyouts, divestitures, spin-offs, equity carve-outs, liquidations and reorganizations. The course seeks to give students an understanding of the economic underpinnings of corporate acquisitions, addressing such issues as the sources of acquisition value and managerial incentives to engage in or resist acquisition. Cases will be used to integrate theoretical ideas and their practical applications. The students will learn to use some databases to carry out valuation analysis.

**MGT 4070 International Finance**

**Fall**

This course extends the principles of finance to an international setting. International finance differs from purely domestic finance in at least two important ways. First, firms and individuals operating in an integrated world economy face the risk of fluctuating

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exchange rates. Second, international capital markets are highly imperfect, reflecting various barriers to cross-border capital flows, such as excessive transaction costs, information asymmetry, and legal/institutional regulations of foreign exchange and capital markets. Throughout the course emphasis is on how to deal with exchange risk and market imperfections using various instruments and techniques available while maximizing the benefits from the expanded global opportunity set. Major topics of the course include foreign exchange markets (spot, forward and options), determination and forecasting of the exchange rates, foreign exchange risk management, international portfolio investments, and international asset pricing, corporate governance around the world, cross-border M&A, and the basic arbitrage equilibrium conditions holding in international financial markets.

**MGT 4071 Multinational Financial Management                      Spring**

This course will provide an understanding of the international economic and financial environment and its unique challenges that is necessary for successful financial management of a Multinational Corporation. In particular, it will enable students to understand the mechanism and theories of exchange rate determination, the exposure of companies to exchange rate risk and the management of such exposure as well as a few major policy issues in the era of globalization. The emphasis of the course will be that on practical learning, so that the students not only learn the concepts but also to learn to use them in real-life decision making situation.