Financial Management

STUDY PROGRAM 2018/2019 SYLLABUS
Financial Management **Marian Moszoro, Ph.D.**
Part A
This course develops critical thinking and assessment of tools and practices in modern finance based readings, selected screenings, and case discussions.

Part B
The objective of this course is to develop critical thinking and assessment of tools and practices in modern finance. The course is based on academic readings, selected screenings, and case discussions. The course provides students with knowledge and tools to: – Define financial goals – Assess financial risks – Evaluate market efficiency – Understand the implications of risk-seeking, information asymmetry, and leverage – Elaborate on the major financial events of the past 30 years

Study effects:	
Knowledge	After completing the program, students will: 1. Understand financial institutions 2. Understand the barriers to efficient financial markets 3. Understand modern finance puzzles and challenges
Skills	After completing the program, students will be able to: 1. Discuss about modern financial markets 2. Address the challenges of financial risk management 3. Outline the socio-economic challenges of financial integration
Others	After completing the program, students will: 1. Increase their understanding financial risks 2. Be knowledgeable about local and international financial markets 3. Be articulate on the major financial events of the past 30 years

Part C
Program of the course 1. Valuation Methods; Hostile Acquisitions "Wall Street" (1987) 2. Leveraged Buyouts and Private Equity "Barbarians at the Gate" (1993) 3. Corporate Social Responsibility versus Shareholder Value Maximization "Other People's Money" (1991) 4. Price and Value (1) — Efficient-Market Hypothesis "The Boiler Room" (2000) 5. Price and Value (2) — Misinformation & Creative Accounting "Enron: The Smartest Guys in the Room" (2005) 6. The Financial Crisis (1) — The Causes "Inside Job" (2010) 7. The Financial Crisis (2) — Tail Risks and Value at Risk (VaR) "Margin Call" (2011) 8. The Financial Crisis (3) — The Government's Reaction "Too Big to Fail: 7 Days After Lehman" (2011)
Literature: Lo, Andrew (2015): "The Gordon Gekko Effect: The Role of Culture in the Financial Industry," NBER Working Paper No. 21267, http://www.nber.org/papers/w21267. Ross, S., R. Westerfield, and J. Jaffe (2003) *Corporate Finance*, McGraw-Hill, 6th edition; Appendix 17A (on leveraged buyouts) & chapter 20.4 (on junk bonds) Davis I. (2005) What is the Business of Business? *McKinsey Quarterly* 3. Fama, Eugene F. "Two pillars of asset pricing." *American Economic Review* 104.6 (2014): 1467–1485. Shiller, Robert J. "Speculative asset prices." *American Economic Review*104.6 (2014): 1486–1517 Rajan, Raghuram G. (2006) "Has finance made the world riskier?" *European Financial Management* 12.4: pp. 499–533. [Paper first delivered at the annual Jackson Hole Symposium in 2005] Taleb, Nassim N. (2007) *The Black Swan: The Impact of the Highly Improbable*: Chapter 4. Benninga, Simon (2008) *Financial Modeling*, MIT, 3rd edition: Chapter 15 ("Value at Risk"). Krishnamurthy, Arvind and Foster, Taft (2014) "Quantitative Easing in the Great Recession," Kellogg School of Management, Northwestern University, KEL782.