

ENGINEERING ECONOMICS & FINANCE

Instructor: Neslihan Yılmaz

Office: IB 305 **Phone:** (212) 359 6511 **E-mail:** neslihan.yilmaz@boun.edu.tr

Course Description: ETM 512 is an introductory course in Economics and Corporate Finance. The first four weeks, fundamentals of macro and micro economic theory will be covered. Next, will be the corporate finance theory. The aim of the course is to familiarize with the fundamental concepts of economic and finance theories thereby provide tools for a management career.

Textbooks: *Economics* by Stiglitz and Walsh, W. W. Norton & Company, 4th Ed.
Fundamentals of Corporate Finance by Brealey, Myers, and Marcus, McGraw Hill, 10th Ed.

Grading:

Midterm	30%
Final-cumulative	40%
Ratio assignment	10%
Problem set	5%
In-class assignments and Class performance	15%

Make-up Policy: There will be only one make-up exam. If you miss the midterm or the final and have a valid excuse, you may take the make-up exam. If you miss both of the exams for any reason you will get zero for one of them.

TENTATIVE COURSE SCHEDULE:

<u>Week</u>	<u>Book</u>	<u>Chapter</u>	<u>Topic</u>
1			Overview of Economics
2	Stiglitz and Walsh	Part 2	Microeconomics: Supply, Demand and Price
3	Stiglitz and Walsh	Part 2	Microeconomics: The Firm's Costs The Competitive Firm
4	Stiglitz and Walsh	Part 5	Macroeconomics: Measuring a Nation's Income Measuring the Cost of Living Open-Economy Macroeconomics
5	Brealey, Myers, and Marcus	1 3	Overview of Corporate Finance Accounting and Finance
6	Brealey, Myers, and Marcus	4 5	Measuring Corporate Performance Time Value of Money
7			Midterm (March, 23)
8	Brealey, Myers, and Marcus	6 7	Valuing Bonds Valuing Stocks
9	Brealey, Myers, and Marcus	8	Net Present Value and Other Investment Criteria
10	Brealey, Myers, and Marcus	9	Using Discounted Cash Flow Analysis to Make Investment Decisions
11	Brealey, Myers, and Marcus	10 11	Project Analysis Introduction to Risk, Return, and the Opportunity Cost of Capital
12			Spring Break
13	Brealey, Myers, and Marcus	12	Risk, Return and Capital Budgeting
14	Brealey, Myers, and Marcus	13	The Weighted Average Cost of Capital and Company Valuation
			Final Exam